



## TRADE MARKS ACT 1995

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

Re: Opposition by ACI Operations Pty Limited to the registration of trade mark application numbers 620098(40), 651022(20) and 651023(40), in the name of Amcor Limited.

#### Background

Application number 620098 was filed on 11 January 1994. Application numbers 651022 and 651023 were both filed on 19 January 1995. Each was filed in the name of Amcor Limited (Amcor). The applications were for the registration of the trade mark and in the classes shown below:

Number 620098:



Class 40 - recycling services, particularly plastic container recycling services

Number 651022:



Class 20 - containers in this class including plastic bottles and all other goods in this class

Number 651023:



Class 40 - recycling services, particularly plastic container recycling services.

Subsequent to examination, the specification of goods for 651022 was altered to cover, "containers in this class including plastic and/or polymeric bottles, bottle caps and container closures". The trade marks were advertised as accepted in the *Australian Official Journal of Trade Marks* of 18 April 1996 (620098), 3 October 1996 (651022), and 2 January 1997 (651023). Notices of opposition were filed on behalf of ACI Pty Limited (ACI) on 8 July 1996 (620098), 3 December 1996 (651022) and 1 April 1997 (651023). The notices listed numerous grounds of opposition, but the only matters which were later pursued at the hearing were under ss. 59, 41 and 43.

Evidence in support of the opposition, evidence in answer, evidence in reply and further evidence were duly served and filed by the respective parties. The matter was set down for hearing before me, as a delegate of the Registrar of Trade Marks, on 6 February 2001 in Melbourne. Ms Margaret Ryan, of Phillips Ormonde Fitzpatrick, appeared on behalf of ACI. Mr Ben Fitzpatrick, of Counsel, appeared on behalf of Amcor, instructed by Griffith Hack & Co. Both parties provided a written outline of their submissions at the hearing.

### **The Evidence**

The evidence comprises:

Declarant	Dated	Exhibits	Type
Roger William Clark	23 October 1998	RWC-1 - RWC-13	Support
Michael Peter Squires	22 October 1998	MPS-1 - MPS-3	Support
David Newall Illingworth	21 October 1999	DNI-1 - DNI-16 and DNI-A	Answer
Michael Peter Squires	21 June 2000	MPS 4 - MPS 7	Reply
David Newall Illingworth	28 September 2000	DNI 17	Further

**Evidence in Support**

Roger William Clark, who is the General Manager - Technical of ACI Petalite, a subsidiary of the current opponent company, has made a statutory declaration with exhibits, which forms part of the evidence in support. This declaration, which was also tendered in the earlier oppositions, sets out the history of what he describes as the 'R' logo trade mark family and also provides his opinion on how Amcor came to devise its marks. He states that in 1991, ACI decided to adopt a distinctive mark which would be used in relation to containers that complied with certain recyclability specifications (PET packaging). The specifications were prescribed by ACI and were used by that company and its authorised manufacturers to produce bottles of the requisite standard.

Mr Clark attested that one of the purposes of the 'R' logo trade mark was to confirm that the bottles were of a certain standard, which meant that they could be safely recycled in the current opponent's recycling plant. He also stated that another purpose of the mark was to indicate to consumers that the bottle was recyclable at a suitable facility - in particular, by ACI. He says that ACI and Amcor (or at least one of the latter company's divisions - Containers Packaging [CP]) had negotiations regarding CP becoming an authorised licensee of the 'R' logo. These negotiations were unsuccessful. Mr Clark believes that CP then devised and adopted its own 'RR' logo, so that CP and its customers would benefit from being associated with having a recyclable product. He also states that he is aware of many instances where PET packaging carrying the 'RR' logo mark of Amcor has ended up at ACI's recycling plant.

Michael Peter Squires is a partner in the firm which represents ACI in these proceedings. Mr Squires has provided two statutory declarations in this matter, dated 22 October 1998 (Evidence in Support) and 21 June 2000 (Evidence in Reply). I will refer to them as his first and second declaration respectively.

In his first declaration, Mr Squires states that his firm represented ACI in prosecuting a previous trade mark application for registration (623077). He then attaches, as exhibits, the application form and the resulting examination report. He also attaches a copy of the Trade Marks Office file relating to application number 620098. He does

not comment on the contents of those documents, nor does he opine on what the documents purportedly show or represent.

Counsel for the applicant objected to the admissibility of portions of the second Squires declaration. The allegedly objectionable portions of that declaration comprised paragraphs 2 through 4 inclusive and Exhibit MPS 4. These paragraphs referred to a previous opposition between the parties relating to trade mark applications (551192, 551525, 553265, 553266, 575398, 575399, 578026, and 589035) filed by ACI. Those oppositions came on for hearing before the Registrar's delegate, Hearing Officer Zars, on 7 February 2000. Two decisions were issued, relating to different aspects of the case. The decisions were dated 3 May 2000 (the May decision) and 6 July 2000 (the July decision) (together, the earlier decisions). The parties, although on different sides in the earlier oppositions, were each represented here by the same advocates.

In the second Squires declaration, the declarant includes an alleged transcript of the submissions Mr Fitzpatrick made on behalf of the then opponent, Amcor, at the earlier hearing. I have used the word "alleged" here only in the sense that there is no official written transcript of those proceedings and Mr Squires is declaring what he believes he heard on the tape of the earlier hearing of the dispute between the parties. I have not listened to the tape, as it was not tendered into evidence. Further, Mr Squires annexed a copy of Mr Fitzpatrick's written submissions from the February hearing (MPS-4). Ms Ryan, in her written submissions, has then quoted Mr Fitzpatrick in the current case with reference to that document. Effectively therefore, ACI is attempting to argue that Amcor is bound by, or estopped from resiling from the arguments that Mr Fitzpatrick put forward on the behalf of Amcor in another opposition. Mr Fitzpatrick strongly objected to such use of his previous submissions.

As I was not taken by either advocate to any law which allows or bars the reliance by a party on the submissions of Counsel made in a previous case (particularly where the case involves the same litigants, who now reside on the opposite side of the fence), and I have been unable to find any authority myself, I intend to allow the evidence in. However, and having admitted the evidence, I advise that I have given it due weight. If I were to place reliance upon it to hold a party to its prior submissions, I would

have thought it fair to also have equal regard to the submissions of ACI's counsel, as they are set out in the earlier decisions. I do not propose to do this either.

### **Evidence in Answer**

The first of two statutory declarations of David Newall Illingworth, together with exhibits, is dated 21 October 1999 (Evidence in Answer). The second is dated 28 September 2000 (Further Evidence). I will refer to these as the first and second Illingworth declarations respectively. In his first declaration, he states that he is the Recycling and Special Projects Manager for a division of Amcor. This statutory declaration was also relied on in the previous dispute between the parties. Apart from some rebuttal of several of the facts alleged by Mr Clark and some discussion of Australian recycling initiatives, Mr Illingworth discusses his company's involvement in the recycling of PET containers in Australia. In particular, he confirms that negotiations between ACI and CP regarding a licensing arrangement for the use of the 'R' logo broke down. He then states that, at paragraph 21 of his first declaration:

*Containers Packaging nevertheless wished to provide a recycling option for its customers. To this end it was recognised that it would be desirable to include a symbol on packaging to indicate to consumers that the product is recyclable and to assist the collector to sort into material types...[after discussing other recycling schemes for other materials]... Similarly, Containers Packaging developed its own logo for use in connection with its recycling services, and for marking containers so as to identify containers which can be recycled. The mark was intended to be used by collectors and sorters to help separate PET from other clear plastics such as PVC, polycarbonate and polystyrene.*

Mr Illingworth then discusses how Amcor adopted and used the 'RR' logo mark since early 1995. He also sets out Amcor's involvement in providing recycling services and the manner in which recyclable bottles produced by Amcor, ACI, or under licence from ACI, are collected and processed.

### **Evidence in Reply**

In his second declaration, Mr Squires produces MPS-4, which has already been discussed, as well as photocopies of a bottle, showing the front and right hand side labels, and the base of the bottle. The front label enables identification of the product. The right hand side label shows Amcor's 'RR' mark. The base of the bottle shows what is described as a "triangle made up of three arrows" which has a number 1 in its

centre. Mr Squires also declares that there are the letters "ACI" imprinted into the base of the bottle. On the photocopy of the bottle that forms part of the evidence, I cannot clearly make out the letters "ACI". However, given the evidence of Mr Squires and the matters which are set out below, I am prepared to accept that the letters do appear.

### **Further Evidence**

Mr Illingworth, in his second declaration, seems to accept that Exhibit MPS-4 shows an ACI bottle, with an Amcor mark on the label. However, he explains that this may have been the result of a purchaser mis-applying labels, or using up existing label stock after they changed bottle suppliers. This, he asserts, would have only been done in spite of Amcor's instructions to the contrary. In other words, the 'RR' logo may have been applied inadvertently, or as the result of acts outside the control of Amcor.

### **Analysis**

As stated above, the opponent's three notices of opposition listed numerous grounds of opposition. However, at the hearing, only three grounds were pursued - ss.59, 41 and 43. Accordingly, this determination will be limited to an analysis of only these grounds.

### **Section 59 - whether the Applicant intended to use the trade marks**

The relevant sections are as follows:

#### **59 Applicant not intending to use trade mark**

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

- (a) to use, or authorise the use of, the trade mark in Australia; or
- (b) to assign the trade mark to a body corporate for use by the body corporate in Australia;

in relation to the goods and/or services specified in the application.

#### **17 What is a trade mark?**

A trade mark is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

As Ms Ryan submitted for ACI, Sections 17 and 59 of the *Trade Marks Act 1995* (the Act) require, in order for the trade marks to be accepted for registration, that the marks are intended to be used, so as to distinguish particular goods or services provided in the course of trade from the goods or services of another person. That is, (a) they must be intended to be used as trade marks; and (b) to be used as trade marks,

they must be used as a "badge of origin". She argued (a), in relation to the SHOW YOU CARE mark; and (b), in relation to the 'RR' and SHOW YOU CARE marks.

**(a) *Alleged lack of use of the SHOW YOU CARE mark***

The SHOW YOU CARE mark, the subject of application number 620098, was filed for registration on 11 January 1994. Ms Ryan submitted that the evidence indicates that the SHOW YOU CARE mark has never actually been used by the applicant, or by any other authorised user. She said that as the mark had never been used, there could not have been the requisite intention to use it as a trade mark as at the date of filing of the application. I find it difficult to accept this proposition. As Ms Ryan herself pointed out, Fullagar J in *Aston v Harlee* (1960) 103 CLR 391 at 401 confirmed that, "intention in this connexion ought to be regarded as meaning an intention to use immediately or within any limited time." Further, as Mr Fitzpatrick submitted, Fullagar J confirmed that "the making of the application itself is, I think, to be regarded as prima facie evidence of intention to use." It is also the case that many applicants will await the outcome of an opposition matter before proceeding to use a trade mark that has been accepted for registration.

Ms Ryan then sought to distinguish *Deeko Australia Pty Limited v Decor Corporation Pty Limited* (1988) 11 IPR 531 (in which a delay in use of 6 years was found to not to constitute too long a period) on two grounds. The first ground relied on the fact that the applications in that case covered all goods in the relevant classes, but that the evidence showed actual use for only a limited number of goods in the class. Ms Ryan submitted that this is not something that should or could occur under the 1995 Act, as it is no longer open to applicants to seek registration to cover an entire class. Applicants must now specify the actual goods or services on which they wish to use the mark. In the second ground, there had been evidence that the marks had been used on goods within the class, and nothing to show that Deeko Australia did not intend to use the mark on other goods in their range which fell within the class. In the present case, Ms Ryan argued, there had been no use at all of the SHOW YOU CARE mark.

Mr Fitzpatrick submitted that the *Deeko* case, *supra*, should not be distinguished. He submitted that the decision clearly stated that a delay of six years was not sufficient to

find that there had been no intention to use. Further, he submitted that the principles of *Deeko* still applied under the 1995 Act. To further assist, Mr Fitzpatrick referred to *Settef SpA v Riv-oland Marble Co (Vic) Pty Ltd* 10 IPR 402, where the Italian company was found not to have abandoned their trade mark, notwithstanding non-use for a period equal to or more than six years. While I believe that the *Settef* case is not entirely on point, as this is not an abandonment case where the product was originally offered for sale and then lapsed into non-use, the point is well made.

I am reasonably satisfied that there was a definite intention to use the mark in the manner proposed by the application. This is evidenced in the already quoted passage from Mr Illingworth's first declaration. I do not consider that a delay in itself of seven years, as is the case here, is sufficient to find that there was no intention to use the SHOW YOU CARE mark at the time the application was filed. Accordingly, I am not prepared to find that non-use of SHOW YOU CARE logo mark amounts to a lack of intention to use. However, this does not necessarily mean that the logo mark will, in fact, meet other tests, particularly in terms of s.17 to qualify as a trade mark.

**(b) *Alleged lack of intention to use the marks as a trade mark***

The thrust of Ms Ryan's submissions was that the marks in question are not trade marks in the required sense. This was also the essence of the decision of May 2000 by Ms Zars. It is well established that a trade mark must be used as a "badge of origin". This was confirmed by Gummow J in *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 21 IPR 1 at 25:

*... the primary function of a trade mark registered in Pt A or B of the register is that of distinguishing the commercial origin of goods or services sold under the mark. The registered mark serves to indicate, if not the actual origin of the goods or services, nor their quality as such, the origin of that quality in a particular business, whether known or unknown by name.*

and by Kitto J in *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407 at 424-425:

*With the aid of the definition of "trade mark" in s.6 of the Act, the adverbial expression may be expanded so that the question becomes whether, in the setting in which the particular pictures referred to were presented, they would have appeared to the television viewer as possessing the character of devices, or brands, which the appellant was using or proposing to use in relation to petrol for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the petrol and the appellant. Did they appear to be thrown on*

*the screen as being marks for distinguishing Shell petrol from other petrol in the course of trade ?*

It is also possible for a mark to have a secondary or derivative function. However, these roles are only available where there is a valid trade mark (in the sense of a badge of origin) to begin with. This was again confirmed by Gummow J in *Johnson v Sterling*, supra, at 25 where His Honour stated:

*... a registered trade mark may serve secondary or derivative functions. But the fact that it does so does not detract from the importance of the mark's primary function. In his article "The Trademark Right: Consumer Protection or Monopoly" (1982) 72 Trademark Reporter 233 at 240-1, Mr Shanahan deals as follows with these further functions of trade marks:*

*"One is the descriptive or indicating function. When a customer orders 7 UP he does not expect to get sarsaparilla. He knows that he is going to get a particular sort of drink - so in that sense the mark has a kind of descriptive function. However, the mark is not simply a description. It indicates to all and sundry that the soda bearing the mark owes its formulation and quality to a particular organisation. It is therefore a trade mark. ...*

*The other secondary function is the so-called advertising or marketing function. Through advertising, through the allegiance of satisfied customers and, to some extent, through word of mouth, a business acquires a good will. It is the trade mark that symbolises that good will, and the trade mark thus becomes, by association, a potent marketing tool.*

*... So it is ... that there may none the less be infringement where the defendant appropriates the trade mark to serve these secondary functions, provided one must add, there is use as a trade mark, that is to say, use to serve the primary function I have described.*

In her May decision, Hearing Officer Zars carefully assessed the manner in which the marks had been used. After analysing the labels of various bottles and advertising and marketing material, she found that the 'R' mark was indicative of a recycling code. That is, she believed that the mark did not indicate a source or origin. Rather, it was an indicator that the product could be recycled. I see no reason to disagree with Hearing Officer Zars' analysis or reasoning. As Mr Illingworth confirmed, Amcor/CP developed their logos as a reaction to the breakdown of licensing and recycling scheme negotiations with ACI. He stated that:

*... (Amcor) wished to provide a recycling option for its customers...it was recognised that it would be desirable to include a symbol on packaging to indicate to consumers that the product is recyclable and to assist the collector to sort into material types... Containers Packaging developed it's own logo for use in connection with its recycling services, and for marking containers so as to identify containers which can be recycled. The mark was intended to be used by collectors and sorters to help*

*separate PET from other clear plastics such as PVC, polycarbonate and polystyrene.*

This statement is the telling one. In this one paragraph, Mr Illingworth has confirmed that, at least so far as it relates to the application of the 'RR' logo mark to bottles, the logo mark was intended to act as an indicator of the appropriate *destination* of the product (ie, a recycling plant), rather than its *source* (ie, who had manufactured the bottle). I do not believe that this is use as a trade mark and I have been shown nothing to give me a different impression.

*(i) As applied to application number 651022*

The evidence, where it discusses the 'RR' logo mark as applied to bottles, emphasises that consumers can be comforted by the knowledge that the product is recyclable, rather than "because it is an Amcor/CP bottle, it can be recycled". I believe that this is fatal to Amcor's application in relation to goods. I see no real difference between the use to which ACI put its 'R' logo and the use to which Amcor intended to use its 'RR' logo.

Mr Fitzpatrick submitted that an important distinction should be drawn between the two companies' operations. He submitted that ACI licenses other manufacturers to use the 'R' logo mark and that therefore ACI is not the only "source". Amcor, on the other hand, does not allow any other manufacturers to use the 'RR' logo mark - they are, at present, the only source. However, there is nothing in the evidence which shows that the 'RR' logo mark, as it is applied to bottles, has any indication that it is a trade mark - by the use of the "TM" symbol or the like, nor that the education of ultimate consumers of the products is at such a level that the 'RR' is even known to be the trade mark of Amcor. As Hearing Officer Zars pointed out in her May decision, with respect to ACI's use of its mark:

*"In the present case, evidence would have been of assistance on how the applicant's 'R' logo marks are perceived by purchasers of the bottles or containers displaying the marks and by the persons involved in recycling of the bottles or containers."*

I have inferred that Mr Fitzpatrick was asserting that ACI's licensing of other manufacturers watered down the likelihood that the 'R' logo would be seen as indicating that the trade mark owner, ACI, was the source. While I agree that this may have weakened ACI's case, I do not believe that the non-licensing of the 'RR'

logo necessarily strengthens Amcor's position. It does not enable me to ignore the clear statement by Mr Illingworth, in his declaration, that the intention of devising and applying the 'RR' logo to bottles was to assist consumers and sorters. Nor does it overcome the lack of evidence of consumer awareness or use of any means to indicate that the 'RR' logo is actually used as a trade mark. Finally, there is no guarantee that Amcor will not engage in its own licensing scheme in the future.

For these reasons, I find that the mark covered by application number 651022 is not a trade mark in the sense envisaged by Sections 17 and 59. Accordingly, the opponent's first ground of opposition, insofar as it relates to 651022, is made out.

*(ii) As applied to application number 651023*

Mr Fitzpatrick argued that Ms Zars' earlier decision could be distinguished, on the basis that it only dealt with applications where the specifications comprised goods. Here, application number 651023 covers recycling services. Mr Fitzpatrick submitted that a service trade mark could not possibly be used as a recycling code. He submitted that a service is an intangible and cannot be marked itself to assist in a procedure such as recycling. I cannot agree with that proposition. I can envisage the situation where Amcor may wish to say, "We provide the highest quality recycling services - all you need to do is look for our logo to be assured that we meet the highest possible standards,". However, there is no evidence of such use before me in the present case. What I have considered in this regard, are Exhibits RWC-11, DNI-13 and DNI-9.

RWC-11 is a letter from CP to the Brisbane City Council. It gives the impression that Amcor will buy back PET bottles for recycling to the extent of its market share. This indicates an involvement in the collection and re-use of PET bottles. However, neither the letter nor its enclosed flier used the 'RR' logo mark to indicate the availability, present or future, of its recycling services. Its only appearance is in the flier to promote its use on labels.

Exhibit DNI-13 is a brochure, which Mr Illingworth stated was distributed to "major customers, government authorities, schools and the general public". It introduces CP's "environmental initiative" and states that "consumers buying products [with the 'RR' logo attached] are assured that a recycling system is in place to re-new (sic) the

packaging material". While the brochure gives the impression that a recycling service might be available, it is not sufficient to satisfy me that it is Amcor which intends to provide it.

Exhibit DNI-9 comprises an action plan by a public relations firm. This is the only exhibit which provides an indication as to how the logos were intended to be used. However, it still does not indicate to consumers that Amcor was actually providing the recycling services, nor that it intended to do so. It confirms that the 'RR' logo is a symbol of recyclability but it does not recommend that Amcor should promote the fact that they will recycle the products themselves. For example, under "Campaign Objectives", the marketing plan states that its intention is to inform entities that CP "is a responsible company that is endeavouring to recycle the PET containers it manufactures" and that the general public "can confidently purchase [PET bottles] in the knowledge that a recycling scheme exists for its eventual re-use".

Accordingly, I am not satisfied that the evidence sufficiently establishes that Amcor intended to use the mark covered by application number 651023 as a *trade mark* relating to the provision of recycling services, as at the date that the application was filed. Therefore, this ground of opposition is made out in relation to 651023.

***(iii) As applied to application number 620098***

Mr Fitzpatrick submitted here that as the SHOW YOU CARE logo mark has never actually been used, it cannot be shown that it has been used in a non-trade mark manner. Accordingly, no-one can attempt to assess the intention of the applicant, as at the date of filing, by looking at pre- or post-filing use. There is nothing in the material which affords me any great assistance. Mr Illingworth merely states, in paragraph 22 of his declaration, under the heading "Adoption of the RR Logo", that:

*The 'Show You Care' and RR logos were developed...to ensure that the logos were sufficiently distinct from the 'R' logo of ACI, so that there would be no risk of confusion between the 2 marks.*

This is the only substantive mention of the 'Show You Care' mark. ACI's evidence only illustrates that the logo appears not to have been used by Amcor.

It is well established that an application is prima facie evidence of an intention to use the mark as a trade mark: *Aston v Harley Manufacturing Co* (1969) 103 CLR 391. However, this is a rebuttable presumption: *Michael Sharwood & Partners Pty Limited*

*v Fuddruckers Inc* (1989) 15 IPR 188. While ACI clearly cannot show actual contrary use to demonstrate a contrary intention, Ms Ryan did submit that the 'Show You Care' mark, when its constituent elements are taken into account (particularly the central "R" surrounded by 3 arrows and the words "100% Recyclable") is more likely to be a recycling code than a badge of origin of recycling services. I agree with this submission. My impression, which has not been contradicted by any evidence or submissions, is that the 'Show You Care' logo mark is more a slogan or a recycling emblem than a badge of origin of recycling services. This would mean that even if there were an intention to use as a trade mark, the intention may not be able to be carried out, for the reasons set out above in relation to the 'RR' logo marks. Accordingly, I find that the s.59 ground is also made out in relation to application number 620098.

#### **Section 41 - whether the marks have the capacity to adequately distinguish**

As it is relevant to the present application, s.41 reads:

(1)...

(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.

Notwithstanding my findings in relation to s.59, where I have decided that the marks applied for have not been used as trade marks but are instead indicators of recyclability, I will consider separately whether, if the intention *had* been to use the marks to indicate source, whether they would qualify under s.41 as capable of distinguishing. Justice Branson considered this section in *Blount Inc v Registrar of Trade Marks* (1998) 40 IPR 498. Her Honour observed, at 504, that, in applying the provisions of s.41 and in deciding whether a trade mark is capable of distinguishing, the Registrar has three options. He or she may conclude:

- (a) that the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons and capable, on that basis alone, of so distinguishing the designated goods or services; or
- (b) that the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons; or

- (c) 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 there is uncertainty, on that basis alone, that the trade mark is actually capable of distinguishing the designated goods or services.

Her Honour continued, that:

*The structure of s 41 of the Act dictates that if the registrar reaches conclusion (a) above, then he or she will decide the question whether or not the trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons by reaching the answer that it is so capable by reason of its inherent adaptability to distinguish: s 41(2) and (3). The registrar will, in such circumstances, be required, by reason of the terms of s33(1) of the Act, to accept the application unless he or she is satisfied that the application has not been made in accordance with the Act, or that there are grounds, independent of capacity to distinguish, for rejecting the application.*

The structure of both ss.33 and 41 presumes registrability and the finding of French and Tamberlin JJ in *Registrar of Trade Marks v Woolworths Ltd* (1999) 45 IPR 411, confirms that a presumption of registrability underlies the policy of the new law. However, the operation of the subsections of s.41 itself were comprehensively defined by Branson J in *Blount Inc v The Registrar of Trade Marks* 40 IPR 498 at 504 and her Honour makes it perfectly plain, that once a ground for rejection is disclosed, section 41 is internally resolved and depends on the decision maker being satisfied that conditions of that section have been met

In relation to the 'RR' logo marks, I have also noted the comments of Hearing Officer Zars in her July decision and the submissions of Ms Ryan in the present case on the applicability of Section 33(1) of the current Act - in particular, the requirement that I be satisfied of certain matters. Having due regard to these and given the tests laid down in *Eclipse Sleep Products Inc v Registrar of Trade Marks* (1957) 99 CLR 300 and *Diamond T Motor Car Co's Appn* (1921) 38 RPC 373 at 380-381, I am reasonably satisfied that the 'RR' logo mark, when considered as a whole, is sufficiently distinctive to satisfy the requirements of Section 41. Ms Ryan invited me, if I were not reasonably satisfied of the marks' inherent ability to distinguish, to avail myself of the provisions of s.41(5) and she made submissions to that end. However, as I am satisfied in relation to s.41, I do not propose to undertake such an assessment of the marks as proposed by the opponent.

In relation to the 'Show You Care' logo mark, once again, I am satisfied that when the mark is taken as a whole, it is not something which other traders in the relevant industries are likely to want to use in good faith to describe their goods or services. In forming this opinion, I have taken the following matters into account. Ms Ryan submitted in both the earlier case (as recorded by Hearing Officer Zars in her July decision at page 39,189) and the present case, that it is not permissible to dissect the mark and to show that each of its component parts is not distinctive and then to argue that the mark is not distinctive: *Diamond T Motor Car Co's Appn*, supra, at 380-381. In the present case, however, she argued that this principle could be distinguished when each of the constituent parts was merely descriptive, thereby rendering an apparently non-descriptive mark into a descriptive one. She did not provide any authority for this proposal, and I do not accept it. Notwithstanding, I do not believe that the mark SHOW YOU CARE is directly or indirectly *descriptive* of recycling services, nor that similar traders are likely to want to use it in good faith to describe their own services.

Consequently, I find that ACI has been unsuccessful on this leg of its opposition.

### **Section 43 - Connotation in the proposed mark that is likely to deceive or cause confusion**

Section 43 reads as follows:

#### **43 Trade mark likely to deceive or cause confusion**

An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

Ms Ryan argued that the present trade marks, all of which contain the letter "R", are substantially identical or deceptively similar to marks owned by ACI, which have a substantial reputation as recycling symbols. In *Down to Earth (Victoria) Co-Operative Society Ltd v Schmidt* (1988) 41 IPR 632 at 644, an Office decision, I found, as the delegate of the Registrar, that the provisions of s43 apply only to an evaluation of material within the trade mark itself and not to a comparison of the subject mark with any other trade marks.

Ms Ryan also said that the words SHOW YOU CARE and 100% RECYCLABLE are descriptive of the services covered by one of the applications. However, s.43 is about connotation and is not related to the reputation or descriptiveness of a trade mark. What she seems to be suggesting here is that because of both of these factors, then all

of Amcor's applied for marks suggest recyclability. However, even if I am of the opinion that there may be some small amount of connotation inherent in the marks, I do not think it is sufficient to be likely to deceive or cause confusion if they are used on the goods or services contained in their specifications. I have not seen any evidence which indicates that plastics sorters - who appear to be the main target for Amcor's marks - were, or would be confused by their use. This is, I believe, because those marks are not used as trade marks but as indicators of recycling. I have seen no evidence from impartial consumers which might lead me to the conclusion that either of the applied for marks are known as an indicator of source.

In line with various Office decisions, including *Down to Earth* decision, supra, and also *Durkan v Twentieth Century Fox Film Corporation* 47 IPR 651, it is the likelihood of actual confusion stemming a connotation within a "trade mark" that is the relevant test. However, as I have already said, none of the marks which Amcor has applied for registration appear to be used as trade marks - as required by the Act - s.43 would not appear valid as a ground of opposition.

Therefore, because it has not been shown that a connotation exists in the applied for marks which might be deceptive or confusing and also that they have not, in fact, been used as trade marks, I find that this leg of opposition fails.

### **Determination**

Accordingly, although I have found that the ss.41 and 43 grounds are not made out, I have decided that the ground relied on under s.59 is made out in relation to each of the applied for marks. It follows that the oppositions as a whole are successful and I therefore refuse to register the trade marks, the subject of application numbers 620098, 651022 and 651023.

### **Costs**

It is usual that costs follow the cause. I see no reason to depart from that rule. Accordingly, I order that Amcor pay ACI's costs in accordance with the Regulations.

Ian Forno  
Hearing Officer  
11 May 2001