



TRADE MARKS ACT 1995

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

Re: Opposition by PD LICENSING LIMITED and THE DISTRIBUTION GROUP LIMITED to registration of trade mark application number 635642 in the name of S.D.I. INTERNATIONAL PTY LTD for the trade mark **AUTOTECH** in Class 4

Background

Application number 635642 was filed on 25 July 1994 in the name S.D.I. INTERNATIONAL PTY LTD (the applicant). The application was for the registration of the word trade mark **AUTOTECH** and, after amendment to the statement of goods, covered "Oils, greases and lubricants" in Class 4.

Following examination, the application for the trade mark was advertised as accepted in the *Australian Official Journal of Trade Marks* of 21 March 1996. A notice of opposition to the trade mark's registration was filed by PD LICENSING LIMITED and THE DISTRIBUTION GROUP LIMITED (together, the opponents), on 21 June 1996.

The notice of opposition listed several grounds, all of which were pursued by the opponents at the hearing. These matters were under sections 58, 42(b), 60, 41(2), 44(1), 59, and 55. Both parties made extensive submissions at the hearing in relation to these grounds. However, for reasons which will later become evident, I will only refer, in this decision, to the ground of opposition based upon s.60 of the Act.

The opponents requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Melbourne on 2 February 1999. The opponents were represented

by Ms Elspeth Strong of Counsel, instructed by Nicola Adams of Freehill Hollingdale & Page. Appearing for the applicant was Ms Carolyn Harris of Watermark.

The Evidence

The evidence in support comprised a declaration by Peter Abell (the first Abell declaration), the National AUTO-TECH Manager of Repco AUTO-TECH, a division and business name of the opponents. Mr Abell, in his declaration, listed the opponents' trade mark registrations, applications and business name registrations, all of which comprised or included the words AUTO-TECH. He explained that the opponents were wholly owned subsidiaries of Pacific Dunlop Limited. He gave the history of the AUTO-TECH name, as it applied to the opponents, and detailed the use of the words, in relation to various clinics and programmes run by the opponents in the various Australian states. Attached to his declaration were 30 exhibits, all intended to detail the extensive use of the words in relation to the opponents' activities in the automotive industry, and the reputation for the opponents which ensued.

The applicant's evidence in answer included a declaration by Robert White, the Managing Director of the applicant, who gave the history of the adoption and use of the subject mark by that party. He listed sales figures and advertising costs, and outlined the methods used to promote the applicant's goods. There were three exhibits attached to his declaration, which included samples of brochures, labels and advertising featuring the present mark. A declaration by Wes Harris, the Managing Director of Rebel Carbits Pty Ltd, completed the evidence in answer. Mr Harris declared as to his knowledge of the trade mark and his association of it with the applicant in relation to the goods specified in the present statement of goods.

The opponents served evidence in reply, which included declarations by Trevor Robinson, Shane Wooller and Christopher Hill, all of whom declared as to their knowledge of the AUTO-TECH mark in respect of its relationship to "Repco". Craig Holdsworth, a training coordinator for the "Repco AUTO-TECH program" said, in another declaration, that he would consider any use of AUTO-TECH would relate to Repco. Willie Thomson, Tom Eley and David Bailey, all mechanics involved in the automotive trade and who had attended AUTO-TECH training clinics, made similar claims in relation to the words. Another declaration by Peter Abell (the second Abell

declaration) said that the opponents attended trade shows and talked to automobile clubs in relation to its clinics and other services under the AUTO-TECH mark, and advertised its training clinics in a wide selection of automotive magazines. A declaration by Alexandra Merrett, an Articled Clerk employed by the opponents' attorneys, said that she had arranged for a company search to be carried out on the applicant and that she had discovered that strike off action was being taken in relation to that party. She also included details of her further inquiries and attached a copy of the search extracts.

Submissions

In relation to the s.60 ground, Ms Strong said that the use of the present trade mark AUTO-TECH by the applicant would be likely to lead to deception and confusion because it was either substantially identical with, or deceptively similar to, the opponents' trade mark AUTOTECH, which had acquired a reputation before the relevant filing date, 25 July 1994. Therefore, she argued, the present mark should be denied registration. She quoted the well known tests regarding substantially identical and deceptively similar marks contained in the relevant precedent case law, including *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, (1961) 109 CLR 407, and *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641.

With respect to whether a trade mark would be likely to deceive or cause confusion, Ms Strong said that certain propositions had been identified by Kitto J in *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 594 and 595, as cited by Gummow J in *Johnson and Johnson Australia Pty Ltd v Kalnin* (1993) 26 IPR 435 at 441. These included the condition that there must be a real, tangible danger of deception and confusion occurring, but that it was enough if the ordinary person entertained a reasonable doubt as to the origin of the respective products. She said that, as outlined in such cases as *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536, all of the surrounding circumstances should be considered when comparing marks, such as look and sound of the competing marks, the nature and kind of customer of the respective goods and services, and of the goods and services themselves. She said that, here, the respective marks were virtually identical; the evidence showed that both the applicant's and the opponents' customers were from the same class, the automotive industry; and that goods, similar

to the applicant's oils, greases and lubricants, were used during the presentation of the personnel training, and instruction services supplied by the opponents. Therefore, she said, the applicant's use of a substantially identical or deceptively similar trade mark on its own goods could well lead to deception and confusion in relation to the opponent's use of its own mark on its services. She said that any claims that the marks had been used side by side for a number of years were not valid, as the applicant's sales of goods bearing its mark had been very low, meaning its exposure in the market place had been minimal.

Ms Strong asked that costs in the matter be awarded in favour of the opponent.

In her submissions in reply to the opposition, as it was based on s.60 of the Act, Ms Harris conceded that the respective trade marks were either substantially identical with, or deceptively similar to each other. However, she said that, in order for the opponents to be successful on this ground, they needed to demonstrate that they had acquired a reputation, in Australia, in respect of oils, greases and lubricants for their mark AUTO-TECH, and also that confusion would result from the applicant's use of its mark. She said that it was not sufficient to show that the opponents had a reputation in their mark in respect of goods similar to, or services closely related to the goods of the opposed application. She submitted that, in any case, automotive training services did not fall into the latter category. It was necessary, she said, to show that the opponents had a reputation in respect of the goods of this opposed application as at the date of application - 25 July 1994. This, she said, it had not done. She conceded that Repco (a division of the opponents) did have a reputation for its mark, in respect of automotive training services at the relevant date, but not in oils, greases and lubricants, necessary, she submitted, to satisfy paragraph 60(a) of the Act. She said that, in fact, the evidence showed that the opponents had never used their mark in relation to goods related to those covered by the present application.

She said further that, notwithstanding her submissions that the opponent had failed to satisfy paragraph 60(a), it had not been established that confusion would occur in the market place. She pointed to a lack of proof of instances of actual confusion, submitting that, as the two companies had coexisted for nearly five years, if confusion

was likely, it would have already occurred and evidence to that effect could have been produced.

She sought costs in the matter on behalf of the applicant.

Analysis

As I have previously said, I will only refer to s.60 of the Act in coming to a decision in this matter. That section is reproduced below.

Section 60 - Trade mark similar to trade mark that has acquired a reputation in Australia

This section reads:

60. The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

As Ms Strong submitted, when deciding whether or not competing trade marks are substantially identical, or deceptively similar in relation to each other, the tests are conveniently laid out in such cases as *Australian Woollen Mills Ltd v F S Walton & Co Ltd*, and *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, both *supra*, where, in the latter case, Windeyer J said, at 414-415: (*in relation to substantial identity*)

...(the marks should) 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,

and, (*in relation to deceptive similarity*)

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 television exhibitions.

The particular marks here are, on one hand, the subject mark AUTOTECH, and on the other, the opponents' mark AUTO-TECH. It is true, from the evidence, that the opponents had widely used the word REPCO in conjunction with the latter words, as at the relevant date. However, there is also overwhelming evidence of use of the words AUTO-TECH alone, or some distance from the REPCO mark, in various modes - including normal block form and incorporated in a circle device. The various declarants in the opponents' evidence all refer to the AUTO-TECH mark as a separate entity, and the numerous publications and advertising material, including a video produced by the opponents, also use those words alone as a trade mark. Consequently, I believe that the opponents can justifiably lay claim to that mark, *solus*, as signifying their services. When comparing the marks side by side, as per the tests expounded by Justice Windeyer in the *Shell* case, the only difference is that, in the applicant's mark, the words AUTO and TECH are joined together to form one word while, in the opponents' case, those words are combined with the use of a hyphen. Aurally, the marks are the same. I think it is obvious then that, when the marks are looked at together, they share essential features which leave an impression that the marks are almost the same. I therefore conclude that the marks are substantially identical.

I now move on to determine the opponents' reputation for their mark on automotive training services and whether it was sufficient, as at the relevant date, so that deception or confusion would be caused if the applicant's mark was used on the goods covered by this application. In paragraph 60(a) of the Act, the mention of "those goods or services" is a reference to the particular goods or services covered by an application, and *not*, as proposed by the applicant's attorney, the goods or services covered by an opponent's marks. Section 60 is essentially concerned with two elements: whether the competing trade marks are substantially identical, or deceptively similar; and whether, because of a reputation residing in the opponent's mark, the use of the applicant's mark would be likely to lead to deception and confusion. In assessing that reputation, the relevant date referred to is the date of filing of the present application, 25 July 1994 - as per the *Southern Cross* decision, *supra*.

It would appear, from a consideration of the opponents' evidence, that they enjoyed a wide reputation for their AUTO-TECH trade mark, as at the date referred to, for their automotive continuing education programmes, incorporating clinics, training sessions and service bulletins. The opponents disseminated a wide range of promotional material via the trade and through a number of publications, issued invitations and instructional material to those people involved in the automotive repair and maintenance trade, attended trade shows, and had contact with automobile clubs and associations. However, it is a fact that some of this use was in close proximity to the opponents' house mark REPCO. The applicant's attorney agreed at the hearing that the opponents' firm, Repco, did have a reputation in respect of automotive training courses for the AUTO-TECH mark but emphasised that that company had not used that mark on goods and therefore could not have had a reputation for that mark in respect of them.

The initial onus is on the applicant to satisfy the Registrar that there is no reasonable probability of confusion - as per Kitto J in the *Southern Cross* decision, supra, at pp.594-5. However, common sense should be utilised when applying this rule. It is accepted law that the risk of that deception and confusion must extend to a substantial number of people likely to be concerned in the purchasing of the particular goods or services - *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300. Ms Harris has argued that the opponents' mark AUTO-TECH is so closely associated with the word mark REPCO on the majority of advertising and promotional material, that the source of the services provided by the opponents would be easily inferred. However, whilst I have already observed that some of this use was used near to the opponents' house mark, I have also found many instances of the separate use of the two marks in the evidence. This use has been in relation to AUTO-TECH "clinics", "teams", "programs" and the like, with no mention of REPCO in material relating to those items. I am therefore of the opinion that an automotive repairer, upon seeing the applicant's AUTOTECH mark on goods related to vehicle maintenance, might well assume a connection in trade with the opponents' AUTO-TECH mark - despite the absence of the word REPCO on the package. From the evidence, the opponents' AUTO-TECH program has achieved a wide and increasing reputation since the mid-1980s. However, the applicant's evidence shows that it only commenced use of the subject mark on its goods in mid-1994 - soon before the priority date of the present

mark, when the opponent's reputation in its AUTO-TECH mark was already well-developed. I must therefore largely discount claims made by Ms Harris of the significance of the lack of examples of actual confusion between the marks.

The opponents have stated that they do not sell goods but have maintained that the customers for their automotive training services and those who buy the applicant's oils, greases and lubricants would be in the same industry. I agree. Those involved in the repair and maintenance of motor vehicles, particularly the attendees at the opponents' clinics, are clearly from the same group of persons as those who use the applicant's oils, greases and lubricants. Indeed, as pointed out by Ms Strong, Mr Abell states, in his first declaration that "the general (automotive) repairer is our (the opponents) main customer". Given the nature of the applicant's goods, it appears to me that these general automotive repairers would also be the major users of those products.

Taking into consideration the number of people in the relevant trade who would have attended the opponents' courses, received the opponents' literature or merely heard of the opponents' programmes, I think that this would represent a significant proportion of the market as contemplate in *Kendall Co v Mulsyn Paint and Chemicals*, supra. I am also of the opinion that, given the established reputation enjoyed by the opponents for their mark, those in the automotive trade might well, if confronted with the applicant's goods bearing its mark, be deceived or confused into thinking that the opponents had either begun producing those goods; or somehow endorsed or approved them as being of a particular standard.

Taking all the above into consideration, I find that the opponents have been successful in opposing the present mark's registration under the s.60 ground of opposition.

Conclusion

Only one ground needs to have been shown for an opposition to registration to succeed. Given this, I have no need to discuss the other grounds argued at the hearing, as I have already found that the subject mark would be likely to deceive or cause confusion. Therefore, subject to any appeal from this decision and, in

accordance with the provisions of s.55 of the Act, I refuse to register the present trade mark.

Costs

In respect of costs, I can see no reason why they should not follow the result. Accordingly, I order that the applicant pay the opponents' costs in the matter, in accordance with the Official scale.

Ian Forno
Hearing Officer

5 May 1999