



TRADE MARKS ACT 1995

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

Re: Opposition by JAMES HARDIE WINDOWS PTY. LTD. to registration of trade mark applications numbers 639208 and 639209 in the name of A & L WINDOWS PTY. LTD.

Background

Applications numbers 639208 and 639209 were filed on 30 August 1994, in the name of A & L Windows Pty Ltd (the applicant). Both applications sought registration of the word mark ENERGY WINDOWS, for the respective statements of goods:

“windows; doors; window frames; door frames; fittings for windows, including locks; fittings for doors, including locks, all being goods in class 6”, and

“windows; doors; window frames; door frames; all being goods in class 19”.

The trade marks were advertised as accepted in the *Australian Official Journal of Trade Marks* of 7 March 1996. The provisions of the *Trade Marks Act 1995* therefore apply to these applications.

On 7 June 1996, notices of opposition to registration of the applicant's marks were filed by James Hardie Windows Pty Ltd (the opponent). The grounds of opposition on each of the applications are set out as follows:

- (1) The trade mark, registration of which is sought in the said application, is not capable of distinguishing the applicant's goods in respect of which the trade mark is sought to be registered from the goods of other persons.
- (2) The Applicant is not the owner of the trade mark for which registration is sought.

- (3) Use by the Applicant of the trade mark for which registration is sought and in relation to the goods in respect of which registration is sought would be likely to deceive or cause confusion.
- (4) Such other grounds as the Registrar of Trade Marks or the Court, on appeal, may see fit to allow.

The service and filing of the evidence in support and answer were completed on 6 June 1997. No evidence in reply was filed.

Evidence

Evidence in support

The evidence in support comprises a statutory declaration, dated 5 December 1996, with exhibits CRF-1 - CRF-14, by Colin Raymond Forster, the general manager of the opponent's company which is a subsidiary of James Hardie Industries Limited. The opponent belongs to the James Hardie group of companies with whom the declarant has been associated since 1995. From his involvement in the affairs of the James Hardie group and the building industry, he claims to be well acquainted with the terminology used in the building industry. In the recent years, he says, there has been a strongly developing market in Australia for energy efficient windows which reduce heating and cooling bills through a reduction in heat transfer and in this connection the word ENERGY is used by many participants in the window industry. Should the word ENERGY or the phrase ENERGY WINDOWS not be available for normal use by traders in the window industry, it would cause great inconvenience to companies dealing with such products. The exhibits annexed to Mr Forster's declaration comprise material on energy efficiency, particularly on products that contribute to energy efficiency.

Evidence in answer

Leslie Arthur Johns, whose declaration, dated 29 May 1997, forms part of the evidence in answer, is the managing director of the applicant's company. He has been involved in the building industry in general and the window and door products market in particular since at least 1972. Through this long experience, he has attained a thorough knowledge of window and door products in Australia and the terminology used in the industry. He expresses the

opinion that the mark ENERGY WINDOWS is capable of functioning effectively as a trade mark and briefly states the reasons. Under LAJ-1 he exhibits a mock up advertisement illustrating how the mark might be used, which, he says, indicates a connection between the product and the applicant, rather than the descriptive use of the words “energy windows”.

Another statutory declaration of 1st June 1997, also part of the evidence in answer, is by Leonard Edward Lohan, the managing director of Rylock Pty Ltd. The declarant states that through his close association with the building industry in general since 1973, he has developed an intimate knowledge of the range of window products available in Australia and the way they are described. He supports Mr Johns’ contention that the traders in the window or door products market would not, without improper motive, want to use the term ENERGY WINDOWS in relation to those products.

The remaining statutory declaration in the evidence in answer is by Brett Lewis, a member of the firm of attorneys acting for the applicant in the present proceedings. His declaration is accompanied by copies of pages from the *Australian Official Journal of Trade Marks* showing acceptance for registration of some trade marks which consist of a combination of two or more non-distinctive words. A second exhibit shows a status report of registration number 73899 for the mark ENERGY.

The matter was set down for a hearing in Canberra on 27th November 1997. Mr David Wilson of Shelston Waters, patent and trade mark attorneys of Sydney, appeared for the opponent. Mr Brett Lewis of Davies Collison Cave, patent and trade mark attorneys of Melbourne, represented the applicant.

Submissions

In commencing his submissions, Mr Wilson said that the opponent would primarily concentrate on the first ground recited in the notice of opposition, but that the other grounds would also be established.

Assessing the applicant's mark in light of the provisions of section 41, Mr Wilson contended that the words ENERGY WINDOWS were not inherently adapted to distinguish the applicant's windows from those of other traders, because "windows" was the common generic noun for goods in respect of which the applicant trades. Additionally, the adjectival use of the word "energy" before the word "windows" aptly described the desirable properties of windows marketed by a number of other traders, including the applicant. Having commented on each of the exhibited materials to Mr Forster's declaration, Mr Wilson drew the conclusion that the opponent had shown relevance and wide-spread use in the industry of the word "energy" in relation to windows.

For guidance on his proposition, Mr Wilson referred to *Burger King Corporation v Registrar of Trade Marks* 1A IPR 504, where the trade mark WHOPPER was found to be not inherently distinctive, although it had not been used by other traders. In quoting the words of Gibbs J, at 509:

The word ['whopper'] so applied would clearly, in my opinion, be descriptive; it would not give a complete description of the goods but would describe one of their characteristics, namely, their [hamburger sandwich] size.

It is in any case a word which a person selling a hamburger sandwich which he claimed to be larger than that normally sold might use in the ordinary course of business and without any improper motive,

Mr Wilson said that, in the present case, the word "energy" described one of the characteristics of the goods, namely, the ability to retain heat or to limit the transfer of heat and, as such, ENERGY WINDOWS would constitute words which others may use without improper motive. The same test would have applied to "whopper hamburgers", had the applicant sought to apply for those words rather than simply for the word "whopper". There was no real distinction to be drawn between "energy windows" and "energy" per se.

Mr Lewis was not convinced that the *Burger King v Registrar* case, supra, was applicable to the present proceedings, because the mark WHOPPER did not have any inherent attribute to qualify as a registrable trade mark. Unlike "whopper", the word "energy" was not purely descriptive and adjectival. Mr Lewis submitted that a mark which consists of non-distinctive elements may yet be distinctive as a whole, as established in *Diamond T*

Motor Car Company Appn (1921) 38 RPC 373. In the present case, it was acknowledged that the word “energy” had some, or albeit an indirect, reference to the goods, but it was, in fact, a word commonly used in the building industry, while the word “windows” was a clear direct reference to the goods. *Diamond T* case had been refined a little by the Federal Court case *Armor All Products Corporation v CRC Chemicals Australia Pty Ltd* 28 IPR 77, where it was found that even if each separate word comprising a mark is merely descriptive, the mark, when read in total, may yet be distinctive. He submitted that the applicant’s marks were not of the same category as the words AUSSIE DELIGHTS for confectionery, or PLAIN WRAP for plain wrapped goods, but it would not be fatal to the applicant’s case even if they were, because a mark need not be absolutely unsuggestive - *Burroughs Wellcome & Co’s Trade Mark* (1904) 21 RPC 217. In the *American Screw Co’s Appn* [1959] RPC 344, it was held that direct reference corresponds to aptness for normal description. Windows may be thermally efficient or designed with conservation of energy in mind, which, however, did not mean direct reference, he said. He also reminded me that the “direct reference” test does not apply under the current Act. The goods themselves did not provide energy or use energy, but might have the effect of activities involving energy, such as switching on a heater or an air conditioner.

Turning to the opponent’s evidence, Mr Lewis questioned Mr Forster’s standing in the matter, noting that he had joined the opponent’s company post filing of the present applications and that there was no express evidence that he had more than two years’ experience in the building industry. The declarant had not shown that the word “energy” was used in a descriptive sense, merely that it was a term used in the industry. He said that, although the applicant acknowledged that the word was the common thread, it was focussing here on registration of both words as a combined term. Had the term in the combined form been an apt description, it would have appeared throughout the quite extensive material provided in the opponent’s evidence.

Mr Lewis then referred to the statutory declarations by Messrs Johns and Lohan, submitting that these persons with extensive experience in the industry were well placed to make

statements to the effect that the marks ENERGY WINDOWS could function effectively as trade marks in relation to the goods specified in the applications, that other traders were unlikely to need these words for use in the ordinary course of their business and that *Clark Equipment Co v Registrar of Trade Marks* (1954) 111 CLR 511 applied here in the applicant's favour.

Commenting on the exhibits annexed to his declaration, Mr Lewis said that, in light of the new approach to registration of trade marks under the current Act, the acceptance of the marks displayed there could be considered as a precedent. To allay the opponent's concerns, the applicant would be prepared to volunteer a disclaimer endorsement to the effect that separate rights to the exclusive use of the words in the marks are disclaimed. The purpose for exhibiting details of registration 73899 was to indicate that a mark ENERGY, which has descriptive connotation for chocolate, had been registered under earlier stringent requirements, Mr Lewis explained. That registration reinforced the contention that the applicant's marks had sufficient degree of capability of distinguishing, despite no evidence having been filed.

With reference to Mr Johns' exhibit which illustrated how the applicant's mark was intended to be used in an advertisement, he said the mark would be clearly seen as trade mark use. On this point, Mr Wilson disagreed, saying that, in spite of the addition of the letters "TM" after ENERGY WINDOWS, in that context it was hard to see the word "windows" functioning as part of the applicant's trade mark, that word being the most obvious and apt name of the goods of interest. As it had no capability of contributing any trade mark significance to the totality of the mark, the opponent was concerned that registration of the mark ENERGY WINDOWS for "windows" would be tantamount to registration of ENERGY in respect of windows.

Each of the parties claimed costs in the matter.

Shortly after the hearing, the applicant formally requested the following endorsement to be entered in relation to the applications, under the provisions of section 74:

“Registration gives no right to the separate exclusive use of the words ENERGY and WINDOWS”.

Discussion

Section 41

41.(1) For the purpose of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be use of the trade mark by the applicant.

(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 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.

The meaning of “inherently adapted to distinguish” has been explained in Note 1 to section 41 of the Act as:

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.

In his declaration, at clauses 3 and 4, Mr Forster, on behalf of the opponent, states, *inter alia*:

“It is only recently that double glazing has become popular in Australia, but there is now a strongly developing market for energy efficient windows, which reduce heating and cooling bills through a reduction in heat transfer. Such energy efficiency is achieved through the design and placement of the windows, through the use of tinted or reflective glass, and through the use of double glazing.

... Although the properties of such windows might be described in terms of heat transfer or thermal conductivity, the terminology adopted by many participants in this new and developing market describe the desirable property in terms of ‘energy’, or ‘energy efficiency’.”

Use of these terms in the trade, particularly “energy efficiency” in relation to windows and doors is reflected in the exhibits annexed to Mr Forster’s declaration. An “energy efficient” window, under exhibit CRF-6, is described in one of the publications:

“An energy-efficient window is one that achieves good architectural design, increased occupant satisfaction and significant savings in energy use. This distraction and glare is equally as important as making energy savings.

[I]t is now evident that windows can make a valuable contribution to energy conservation. This is achieved by using recently-developed, high performance window products for insulation and visible transmittance; automatic lighting controls (when daylight provides lighting needs); and passive solar energy technology.”

A number of other brochures, the earliest dated January 1993, show how glass in buildings can be effectively used in various ways towards savings on energy costs. The brochures also feature “Window Energy Rating Scheme” set up by participants in the window industry, in conjunction with the Federal and State governments, which will enable the customers “to make better judgements about the selection and design of window systems”. Thus, a publication issued by The Energy Information Centre, established by Energy Victoria and the Commonwealth Department of Primary Industries and Energy states: “With the new House Energy Rating service, you can now have your house or plans rated for energy efficiency. The more stars, the more energy efficient the design and the cheaper it will be to heat and cool”.

In Mr Forster’s exhibits, primarily comprising copies of publications, brochures and articles, frequent reference is made to the term “energy efficient”, particularly in relation to windows, i.e. “The simple way is to make your window areas more energy efficient”, “All these glasses are energy efficient in different ways to suit you”, “How to choose the right energy efficient glass for your needs”, “Introducing the Low E energy efficient option”, “Insulating glass/energy efficient windows”. Other expressions appearing in the literature also focus on the word “energy”, such as: “energy performance”, “new energy rating scheme”, “rating windows for energy”, “energy-efficient glass”, “energy-conscious ‘70’s”, “energy efficient Pilkington ‘K’-Glass”, “solar energy”, “energy conservation”, “energy efficient glazing”, “energy efficient building products”.

From this material it can certainly be deduced that the word “energy”, or the words “energy efficient”, have assumed a special significance in the building trade by describing beneficial characteristics of building products of interest to the applicant as being designed, adapted or located in a home for the purpose of reducing energy consumption and being cost effective. Additionally, those terms have attained popularity in the industry since at least the end of 1995, taking into account the available dates appearing on the copies of the brochures. Moreover, from my general knowledge, “energy efficient” is a term which currently occurs in advertisements on television in association with the particular type of windows described in Mr Forster’s copies of brochures. Given the present increasing awareness of and the prevalent emphasis on energy conservation themes in planning, designing and erecting homes, I believe the word “energy” solus, when utilized in conjunction with the word “windows”, which merely nominates some of the applicant’s goods, would be readily understood by the “public at large who are to look at it and form an opinion of what it connotes” - *Keystone Knitting Mills Ltd’s Trade Mark* (1928) 45 RPC 421. In support, I refer to the High Court case *Registrar of Trade Marks v Muller* (1980) CLR 144 37, where their Honours said, at 40:

“What must be regarded is the application of the word “Less” to the goods in connexion with which it is sought to be registered. The question is therefore whether in phrases such as “Less analgesic” or “Less aspirin”, “Less” refers directly to the character or quality of the pharmaceutical product with which it is paired.

It seems to us that when it is so linked, “Less” does convey something about the character or quality of the product. Admittedly, an additional word such as “used” or “requiring” has to be inserted into the phrase for the meaning to be clear and grammatically complete. But this is no different from “charm” in relation to “hosiery” (Keystone) or “health” in relation to “cocoa” (*Thorne & Co Ltd. v. Sandow* [(1912) 29 RPC 440], which were held to have a direct reference to the character or quality of the goods and where link words would have been necessary to make the meaning perfectly clear.”

The opponent has demonstrated that “energy” or “energy efficient” are words used and recognized in the relevant industry. It has also shown use of these words in a descriptive sense in relation to windows and doors. This descriptive use is also partly reinforced by the phrase “A & L’s new cost cutting windows ENERGY WINDOWS TM” in the applicant’s own advertisement to Mr Johns’ declaration which shows proposed use of the mark. Given its descriptive significance and the fact that the connotation of the word “energy” would be

clear without the addition of the word “efficient”, the applicant’s marks, ENERGY WINDOWS, are only to a very small degree inherently adapted to distinguish. The extent to which the marks are not adapted to distinguish, however, is not sufficient for the trade marks to be capable of distinguishing. Accordingly, under the provisions of subsection 41(5), the applicant would require to produce evidence of use, or intended use, or to establish any other circumstances in order to demonstrate that the trade marks do, in fact, distinguish or will distinguish. The evidence of use would need to be quite substantial. In the absence of any of these requisites, I am obliged to conclude that the applicant’s marks are not capable of distinguishing the goods of the present applications from those of other traders.

Disclaimers

Subsection 74.(1) provides that:

An applicant for the registration of a trade mark, or the registered owner of a registered trade mark, may, by notice in writing given to the Registrar, disclaim any exclusive right to use, or authorise the use of, a specified part of the trade mark.

Unlike the provisions of section 32 of the *Trade Marks Act 1955*, whereby the Registrar could impose a disclaimer as a condition of registration, a disclaimer under the current Act is voluntary. In the present proceedings, pursuant to the applicant’s view that it was not attempting to monopolize the word “energy” or to prevent other participants in the industry from using the word, and that the word “windows” was merely a direct description of the applicant’s goods, but that the combination of those two words was sufficiently unusual and distinctive, the opponent has offered to disclaim separate exclusive use of the said words. Having assessed copies of the marks advertised for acceptance affixed to Mr Lewis’ declaration, all of which bear an endorsement disclaiming rights to the separate exclusive words and which were accepted under the repealed Act, I do not think any of those trade marks are analogous to the applicant’s marks, as in each case the two words comprising those marks create a somewhat distinctive completeness in relation to their respective goods or services.

Conclusion

The matter upon which the opponent focussed its main attention concerned the question of whether the applicant's marks are capable of distinguishing, being the first ground included in the notices of opposition on these applications. I have found that the term ENERGY WINDOWS is inherently adapted to distinguish to a very limited extent and that the applicant's marks could be considered as capable of distinguishing only in light of satisfactory evidence of use or any other circumstances, which have not been established by the applicant. In these circumstances, registration of the marks ENERGY WINDOWS must be rejected in terms of section 41. It follows that I allow the opposition and refuse to register the trade marks the subject of applications numbers 639208 and 639209.

I award costs in the matter against the applicant.

Vija Zars
Hearing Officer
24 February 1998