



TRADE MARKS ACT 1995

DECISION OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Trade mark application number 654996(3) - BEAUTIFUL - filed in the name of Estee Lauder Cosmetics Limited

Trade mark application number 654996 is the word BEAUTIFUL. It was filed on 7 March 1995 by Estee Lauder Cosmetics Limited, of 161 Commander Boulevard, Agincourt, Ontario, Canada (Estee Lauder) and sought registration in respect of *perfumery, essential oils and cosmetics*. These are goods in international Class 3.

The examiner of trade mark objected to this application. The first reports were issued under the *Trade Marks Act 1955* on the grounds that the word BEAUTIFUL refers to the character or quality of the goods. In due course Estee Lauder's agent responded with evidence and in June 1997 a second examiner's report issued. This time the objection was dealt with in terms of the *Trade Marks Act 1995* and the agent was advised that the trade mark would need to meet the requirements of subsection 41(6). In short, the examiner found the word BEAUTIFUL devoid of any inherent capacity to distinguish the designated goods and said that the evidence to hand (a declaration by Lesley A. Moradian) did not establish distinctiveness as at the time of filing. Despite repeated submissions and further evidence in a declaration by Mario Argenti, the examiners continued to maintain that this trade mark, BEAUTIFUL, was not to any extent inherently adapted to distinguish, and that the evidence did not satisfy subsection 41(6). Estee Lauder therefore sought a hearing.

The hearing was conducted before me, in Sydney, on 13 March 2000. Mr Brett Doyle and Ms Elizabeth Coffey of Baker and McKenzie, Solicitors of Sydney, attended on behalf of Estee Lauder.

The Law

Section 41 of the *Trade Marks Act 1995*, as relevant to the present application, 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.
- (4) Then, if the Registrar is still unable to decide the question, the following provisions apply.
- (5) 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 so 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.
- (6) 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.

The Grounds for Rejection

BEAUTIFUL is a laudatory term. It is defined in the *Oxford English Dictionary* as, *inter alia*:

adj. Full of beauty, possessing the qualities which constitute beauty.

1. Excelling in grace of form, charm of colouring, and other qualities which delight the eye, and call forth admiration:

BEAUTIFUL is a word in very common use. It is universally understood by English speakers. It must, I think, be held to be one of the most common words of praise in the English language.

Whether a trade mark comprising a word is inherently adapted to distinguish depends on whether other traders are likely to want to use the word in the normal course of business. This test, regularly relied upon, is set down by Justice Kitto in *Clark Equipment Co v Registrar of Trade Marks*¹ - the *MICHIGAN* case. In view of an argument that Mr Doyle put to me, I will quote the whole of the relevant the paragraph - starting on page 513. Dealing with the question of whether a trade mark is adapted to distinguish, his Honour says:

That ultimate question must not be misunderstood. It is not whether the mark will be adapted to distinguish the registered owner's goods if it be registered and other persons consequently find themselves precluded from using it. The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing the goods from the goods of others. In *Registrar of Trade Marks v W. & G. Du Cros Ltd*² Lord Parker of Waddington, having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not "adapted to distinguish" the applicant's goods, defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return for an understanding of the problem in a case such as the present. His Lordship said: "The applicant's chance of success in respect [i.e. in distinguishing his goods by means of the mark apart from the effects of registration] must, I think, largely depend upon 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 connexion with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what other may legitimately desire to use." The interests of strangers and of the public are thus bound up with the whole question. As Hamilton LJ pointed out in the case of *R.J.Lea, Ltd*³; but to say this is not to treat the question as depending upon some vague notion of public policy: it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives -

¹ (1964) 111 CLR 511 at 514

² (1913) 30 RPC 660

³ (1913) 30 RPC 216 at 227

in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

His Honour then considers geographic words and continues on p515

A descriptive word is in like case: the more apt a word is to describe the goods, the less inherently apt it is to distinguish them as the goods of a particular manufacturer. This may seem at first blush a paradox, as Lord Simonds and Lord Asquith suggested in the *Yorkshire Copper Works Case*⁴, but surely not, when Lord Parker's exposition of the subject is borne in mind.

Mr Doyle focuses on Justice Kitto's words, *will ... think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it*. He argues from this that the issue of the right of others to use a word sought in registration, turns on the question of whether those others wish to use it not descriptively, but only as a trade mark. In my view that argument misconstrues Justice Kitto's directive, and is completely at odds with a basic tenet of trade mark law. As early as the *SOLIO* case⁵, Lord Herschell says:

... any word in the English language may serve as a Trade Mark; the commonest word in the language might be employed. In these circumstances it would obviously have been out of the question to permit a person, by registering a Trade Marks in respect of a particular class of goods, to obtain a monopoly of the use of a word having reference to the character or quality of those goods. The vocabulary of the English language is common property; it belongs alike to all; and no one ought to be permitted to prevent the other members of the community from using, **for the purposes of description**, a word which has reference to the character or quality of the goods. (My emphasis.)

This view continues through the case law to *W. & G* with Lord Parker's finding⁶ that whether a mark is adapted to distinguish largely depends 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 connexion with their own goods. (My emphasis.)

⁴ (1954) 71 RPC 150 at 154 156

⁵ *In the matter of an application of the Eastman Photographic Materials Company, Ltd, for a Trade Mark*, (1898) 15 RPC 476 at 484 146

⁶ (1913) 30 RPC 660 at 672

and his observation that

.. both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what other may **legitimately desire to use**. (My emphasis.)

In 1964, the Full High Court handed down its decision in *F H Faulding & Co Limited v Imperial Chemical Industries of Australia and New Zealand Limited*⁷, and Kitto J (with whom Barwick CJ and Windeyer J agreed) said at 555:

But for the evidence, it might have been said that the word [*Barrier*], though inherently suited to be used **adjectivally for the purpose of referring to the distinguishing characteristic** of skin protective creams generally, is not one which would spring instantly to the mind of a person who wanted a word for the purpose but had never known *Barrier* to be so employed. This might have been said with the general principle in mind that the question to be asked in order to test whether a word is adapted to distinguish one trader's goods from the goods of all others is whether the word is one which other traders are likely, **in the ordinary course of their businesses** and without any improper motive, to desire to use upon or in connexion with their goods." (Again, my emphasis.)

This passage was relied on by Justice Wilcox in the recent *Ocean Spray Cranberries Inc v Registrar of Trade Marks*⁸ - an appeal that proceeded under the *Trade Marks Act 1995*.

The thread that runs through the case law in defining the test for being inherently adapted to distinguish, is not that others traders ought to be at liberty to use the vocabulary of the English language as trade marks. It is the persistent concern that other traders ought to be at liberty to use words for the sake of their ordinary meaning, particularly where that ordinary meaning describes a character or quality of the goods those traders produce. Such descriptive use may indeed give rise to an infringement action - notwithstanding the existence of the section 122 defences - and it is against such unwarranted nuisance that the principle of inherent distinctiveness has evolved.

In line with the unwavering principles that trade mark registrations should not interfere with honest traders' rights to use the language, I read Justice Kitto's statement as a directive that the test of whether a trade mark is adapted to distinguish is whether others will wish to use

⁷ (1965) 112 CLR 537

⁸ (2000) AIPC ¶91-539 at 37,144

that mark in connection with their own goods and services, for the sake of its ordinary signification. In the case of descriptive words, it is whether other traders will wish to use the word for the sake of its ordinary descriptive meaning. This reading is confirmed by his Honour's follow up statement that *the more apt a word is to describe the goods, the less inherently apt it is to distinguish them.*

Applying the directives of the case law, and in particular the directives of his Honour Justice Kitto as per the *MICHIGAN* case⁹ I find I am in complete agreement with the examiners. BEAUTIFUL is both a highly descriptive and a highly laudatory word. From my own knowledge I am aware that it is popularly employed by the perfume industry to extol the properties of fragrances. The applicant's evidence bears this out. In Michael Edward's book, *Perfume Legends* (Exhibit ME-1 to the Edwards declaration, and discussed further below) I find, scattered through the text

p61	<i>a perfume as beautiful as Arpège deserves more</i>
p109	<i>but the illusion they created is so beautiful</i>
p125	<i>Femme is so beautiful but quite difficult to wear</i>
p149	<i>we make our own perfumes ... use the most beautiful raw materials</i>
p194	<i>The perfume was so different ... so clean and beautiful</i>
p203	<i>(of the Paris bottle) this will be .. much more beautiful</i>

BEAUTIFUL is unquestionably a term that other traders use, and will continue to desire to use in respect of their perfume products. It is not inherently adapted to distinguish. The question, however, of whether it is to some extent inherently adapted, and therefore is fit to proceed under the provisions of subsection 41(5). This question may be determined by the test set down by Justice Jacob in the *TREATS* case¹⁰. It is whether the word *beautiful*

is the sort of word which cannot do the job of distinguishing without first educating the public that it is a trade mark.

Given the frequency with which BEAUTIFUL is used as a description of perfumery and fragrances, the natural response of the purchasing public would be to read this word as nothing more than a glowing description used to indicate that the products are full of beauty, possess the qualities which constitute beauty, or excel in qualities which delight the olfactory senses, and call forth admiration. I am satisfied that this trade mark, if it is to succeed, must meet the tests imposed by subsection 41(6) of the Act.

⁹ *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514

¹⁰ *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 at 306

Submissions

Before turning to the evidence, I need to comment on assertions from Mr Doyle, that a *presumption of registrability* governs the operation of section 41. As he noted, this was a matter which I dealt with briefly in *Re Application by Chocolaterie Guylian NV*¹¹ — the SEA-SHELL shape filed in respect of confectionery. I also noted in that case that, as compared to the *Trade Marks Act 1955*, the *Trade Marks Act 1995* provides some relaxation of the tests for registrability. Marks may now proceed on the basis of their capacity to distinguish, and inherently non-distinctive trade marks may now succeed on the fact of distinctiveness. Further, the structure of both sections 33 and 41 presumes registrability and the finding of French and Tamberlin JJ in the *METRO* case¹² confirms that a presumption of registrability underlies the policy of the new law. This principle in particular guides examiners of trade marks in determining whether there is a warrant to raise a section 41 ground of rejection. However, the operation of the subsections of section 41 itself have been comprehensively defined by Branson J in the *OREGON* case¹³ 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 been met

As further preliminaries to his submission regarding the evidence, Mr Doyle took me briefly to a number of other contentions which are conveniently dealt with at this point.

First he asserts that the tests for subsection 41(5) are essentially the same test as for Part B of the *Trade Marks Act 1955*. I think that he is largely right. Part B allowed marks that were assessed as capable of becoming distinctive to proceed to Part B of the Register – evidence being required or not, depending on the degree to which those marks lacked inherent capacity to distinguish. Marks that would have been acceptable for old Part B will generally be fit to proceed under the provisions of subsection 41(5) of the *Trade Marks Act 1995* – evidence being required depending on the extent to which they are not inherently adapted to distinguish the designated goods. Trade marks which are not to any extent inherently adapted to distinguish, however, would not have succeeded under the old Part B law. They may indeed succeed under the *Trade Marks Act 1995*, but only if it can be established, that at the date of filing, these trade marks had achieved factual distinctiveness.

¹¹ *Re Application by Chocolaterie Guylian NV* (2000) 46 IPR 201

¹² *Registrar of Trade Marks v Woolworths Ltd* (1999) 45 IPR 411

¹³ *Blount Inc v Registrar of Trade Marks* (1998) 40 IPR 498

Second, Mr Doyle made reference to the fact that the trade marks GOLDEN CRUMPETS¹⁴ and CLASSIC had achieved registration. The burden of his submission here, if I understand him, is that registration under the old law, indicates that these trade marks would necessarily succeed under the new law; and, by comparison, so should BEAUTIFUL. I dismiss this argument out of hand. Findings concerning the meaning of the term GOLDEN CRUMPETS as it applies to bakery products have no bearing that I can see on an enquiry into the relevance of the word BEAUTIFUL to the perfume industry. And a mass of CLASSIC trade marks registered under the old law for a very wide range of goods, overwhelmingly indicate that that word was consistently disclaimed. Moreover, the directives of Jacob J in *TREATS* case¹⁵, and Wilcox J in the *CRANBERRY CLASSIC* case, make it very plain that the registrability of a trade mark is not to be assessed by reference to the state of the Register. In short, each application must be judged on its own merits.

Third, Mr Doyle advocated that, in considering the word BEAUTIFUL and assessing whether it is inherently adapted to distinguish, I should have regard to the evidence of use filed to support the application. He draws my attention, in particular, to *Conde Nast Publications Pty Ltd v Taylor*¹⁶ and to the following comments made by Burchett J at 37,631

The date of the application, 27 February 1991, is the date as at which the application is to be determined, not only under s 28 but also under s33 of the Act [viz the *Trade Marks Act 1955*]. On that ground, objection was taken to some of the evidence relating to the period between 27 February 1991 and the date of the hearing. But it is a commonplace of the law of evidence that later events may cast light upon the true position at an earlier date. The question whether the opposed mark was at 27 February 1991, a mark “the use of which would be likely to deceive or cause confusion” may be answered, in part, by reference to evidence about what actually happened when the mark was used over a subsequent period of years.

The circumstances here and the matter under consideration, are clearly a very long way from the question of inherent distinctiveness and the *Trade Marks Act 1995*. I am not considering deception or confusion - a denial of which may indeed be illuminated by subsequent history. I am considering whether the trade mark BEAUTIFUL is to any degree adapted to distinguish. Under both the old law and the new law, this is a matter to be determined independent of any

¹⁴ *re Harding Manufactures Pty Ltd t/a Wyandra Industries* 8 IPR 147

¹⁵ *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 at 305

¹⁶ (1998) AIPC ¶91-445 at 37,631

use. Directions on this point are found in Justice Wilcox' judgment in the *CRANBERRY CLASSIC* case¹⁷:

The question whether the mark is not capable of distinguishing the applicant's goods or services from those of others depends on its inherent characteristics, not its manner of use.

I therefore reject Mr Doyle's submission that inherent distinctiveness can be assessed by reference to evidence as to the manner in which the trade mark BEAUTIFUL is used.

Fourth, and more directly to the point at issue, Mr Doyle conceded that in respect of the designated goods, the word *beautiful* 'might be at the margin' — which I take to mean at the margin of subsection 41(5). He supported this view with the submission that the word is entirely subjective and gives no useful information about the goods. Mr Doyle asks 'what is beautiful?' and certainly that which charms or calls forth admiration is a subjective matter. That, however, does not detract from the general usefulness of the description, or diminish the likelihood that other traders will wish to laud their products with this adjective. Again, I think Mr Doyle has misconstrued the issue. The pertinent question is not whether the word gives objective or concrete information. It is whether other honest traders are likely to wish to use it in advertising and promoting their own goods, and advertising and promotion go well beyond objective and concrete information. If a word gives no real information it may follow that it is a word that is not needed by other traders. But I certainly do not find that *beautiful* comes within that category. BEAUTIFUL commends and praises quality, and I find it a word that, because of its ordinary signification, is required by honest traders to describe and promote the goods designated in Estee Lauder's application, namely, *perfumery, essential oils and cosmetics*.

Fifth, Mr Doyle put to me that the provisions of the law do not preclude traders from the use of a word, simply because that word has standing as a registered trade mark. He referred me to cases such as the *CAPLETS* case¹⁸ and the *KETTLE* case¹⁹ where infringement actions had failed on just that point. However, the question I am to deal with is not infringement and the operation of the defence provisions of section 122. I am dealing with the issue of inherent capacity to distinguish and the tests enumerated under the provisions of section 41. I hold that the operation of section 122 has no bearing whatsoever on this question and in support I

¹⁷ *Ocean Spray Cranberries Inc v Registrar of Trade Marks* (2000) 40 AIPC ¶91-539

¹⁸ *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 21 IPR 1

rely on the directives of Dixon CJ and Williams and Kitto JJ in *Eclipse Sleep Products Incorporated v the Registrar of Trade Marks*²⁰:

Section 53A of the *Trade Marks Act* [1905-1948] however, the meaning of which was discussed to some extent in the *Mark Foy's Ltd v Davies Coop & Co Ltd*²¹, provides that no registration under the Act shall interfere with the use by any person of any bona fide description of the character or quality of his goods. The object of this section is not to afford a guide as to whether a word is adapted to distinguish the goods of the proprietor of the trade mark from those of other persons. It is intended only to protect traders in the bona fide use of a word which has been registered and must be treated as adapted to distinguish such goods. "I do not ignore that some protection is given by s8 of the Act (the section of the *Trade Marks Act* 1938 (Imp.) similar to s.53A) but I accept the view frequently expressed in regard to this section, and to s.44 of the earlier Act which it replaced, and in particular by Lord Maugham, Lord *Atkin* and Lord *Russell of Killowen* in *A.Bailey & Co Ltd v Clerk Son & Morland Ltd. (Glastonbury Case)*²², that it should not afford a guide as to whether a name should be registered or not"²³, per Lord *Simonds* LC in *Yorkshire Copper Works Case*. Section 53A would however protect the bona fide use by other traders of the words "SPRING" and "WALL":

Section 122 of the *Trade Marks Act 1995* similarly protects the bona fide use of a person's name, the name of the person's place of business, the name of a predecessor in business, and signs that indicate the kind, quality, quantity, intended purpose, value, geographical origin, and other characteristics of goods or services, regardless of the fact that those words may be live registered trade marks. As directed by the High Court per the *SPRINGWALL* case, however, these provisions do not afford a guide as to whether a trade mark conforms with the requirements of section 41.

The Evidence

I turn now to the evidence. Having found that the subject trade mark BEAUTIFUL is not to any extent inherently adapted to distinguish, the provisions of subsection 41(6) apply. The subsection provides:

- (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 ... as being those of the applicant — the trade mark is taken to be capable of distinguishing the designated goods ... from the goods ... of other persons;

¹⁹ *Pepsico Australia Pty Ltd and Ano (t/a Frito-Lay Australia) v Kettle Chip Company Pty Ltd* 33 IPR 161

²⁰ (1957) 99 CLR 300 at 322.9

²¹ (1956) 95 CLR 190

²² (1938) 55 RPC 253

²³ (1954) 71 RPC 150 at 154

- (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.

In order for the trade mark BEAUTIFUL to succeed under this subsection, I must be satisfied that, as of the date of filing, BEAUTIFUL did in fact, distinguish the designated Estee Lauder's goods from those of other persons.

Estee Lauder here relies on four statutory declarations.

The declarations are by Mario Argenti, a managing director of Estee Lauder Pty Ltd, a subsidiary of the applicant; Lesley Moradian, an assistant secretary of Estee Lauder; Michael Anthony Edwards, an expert evaluator of perfumes and fragrances with 25 years experience; and Elizabeth Jane Coffey, a solicitor with the firm of Baker & McKenzie. The declarations were filed variously in the course of opposition matters on other trade marks, in the course of the present application and following the hearing (at which time the Edwards declaration was not fully executed). Only the Argenti and Moradian evidence was put before the examiners.

The extent of use

Estee Lauder commenced use of the trade mark BEAUTIFUL in Australia in 1985. Since that time, BEAUTIFUL has been continuously used on perfumes. It has also, apparently, been used on essential oils and a range of cosmetics. The evidence, however, indicates that the focus of Estee Lauder's activity in the use of the BEAUTIFUL trade mark, has been perfumery. The exhibits to the Argenti declaration illustrate this. Annex DB-1 gives Australian sales figures for the years 1986 - 1989 and these are substantial. Annex DB-2 gives details of an Internet site *fragrancecounter.com* which features the BEAUTIFUL fragrances; Annex DB-3 is an extract from a magazine *New Woman*, January 1994, which publishes the results of an award to the *best established fragrance*: BEAUTIFUL perfume is 'highly commended'. DB-4 and DB-5 are illustrations of material used in a 'wedding' advertisement campaign in which Estee Lauder's BEAUTIFUL perfume was promoted against pictures of romantic wedding scenes. DB-6 and DB-7 are extracts from Grace Bros and David Jones catalogues and although there is mention of BEAUTIFUL shower gel and body lotion, the emphasis is heavily on the perfume.

The trade mark has been promoted in a collection of well known fashion magazines *Cosmopolitan*, *Elle*, *Marie Claire*, *Vogue*, *Vogue Living* and *New Woman*.

Also in the Argenti declaration, is a ranking from Myer/Grace Bros and David Jones. of their top selling perfumes. In 1996, 1997 and 1998, BEAUTIFUL was consistently ranked 2nd by Myer/Grace Brothers; in 1996 and 1998 it was the 3rd best seller for David Jones.

In terms of quantum, I think that it is clear that in Australia the BEAUTIFUL perfume has been one of the top selling perfume brands. The trade mark application was filed in 1995, and for the purposes of section 41(6) the evidence shows that significant turnover has taken place for some ten years. Considerably evidence falls outside the relevant period (for example, the evidence of the top perfume sellers in the Myers/Grace Brothers and David Jones ranking). But, looking at the Australian sales figures over the years 1986 - 1995 I am satisfied that for almost 10 years prior to filing, the BEAUTIFUL perfume has been a prominent player on the Australian perfume scene. Standing alone, however, this is not evidence that at filing the trade mark BEAUTIFUL distinguished Estee Lauder's products from those of its competitors.

Expert evidence

The Edwards declaration confirms the status of Estee Lauder's BEAUTIFUL perfume as a successful, well regarded and well-known product. Mr Edwards produces a *comprehensive fragrance guide* entitled *The Fragrance Adviser*. He is also the author of a book entitled *Perfume Legends*²⁴. Copies of these publications are annexed to his declaration. The 1999 copy of *The Fragrance Adviser* classifies 1,900 perfumes and is distributed to *thousands of retailers and individuals annually*. It is, says Mr Edwards, acknowledged to be essential reference for both members of the perfume industry and general consumers. It is available on CD-ROM and can be accessed by touch screens in various department stores throughout the world, including Sydney.

In respect of the trade mark BEAUTIFUL, Mr Edwards gives his opinion as an expert in the field. He says:

7. The production and sale of perfumes and fragrances has, over the last 30 years, taken place in an increasingly highly competitive and sophisticated mass market. During this period a number of fragrances have been, in my opinion, pivotal in the evolution of fragrances. One of these fragrances is the fragrance named BEAUTIFUL made by Estee Lauder, which was an innovative development when first launched in 1985. Its role has been definitive

²⁴ *PERFUME LEGENDS French feminine fragrances*, HM Éditions, Lavallois, France, 1996.

for a number of reasons. When BEAUTIFUL was introduced in 1985, the perfume industry was generally developing and marketing fragrances under names intended to have a dramatic impact and shock, examples including OPIUM, POISON, OBSESSION and DECADENCE. Launching a fragrance under the name BEAUTIFUL was therefore highly distinctive and unusual, as it went directly against contemporary industry trends. In addition, the BEAUTIFUL perfume was innovative due to the sheer complexity of its fragrance structure.

8. Prior to the development of the fragrance BEAUTIFUL by Estee Lauder, no other fragrance manufacturers had utilised the name BEAUTIFUL, and none has done so since its development. This was an unusual and daring name to give to a fragrance. BEAUTIFUL is universally known amongst those in the industry, and has an extensive consumer reputation, having been well-promoted it has earned huge popularity over the last 15 years. BEAUTIFUL is among the world's top fragrances worldwide, in terms of reputation, sales and usage.

While I have reservations about some aspect of Mr Edwards' evidence, I am satisfied that he has the knowledge and experience to attest to the facts that

- the perfume business is highly competitive and highly sophisticated
- Estee Lauder's BEAUTIFUL perfume was an innovative development launched in 1985 because it set a new fashion both in respect to its style and its image
- BEAUTIFUL is 'universally' known in the perfume industry as an Estee Lauder fragrance
- BEAUTIFUL has an extensive reputation amongst consumers
- On a worldwide measure of sales and usage, BEAUTIFUL is amongst the world's top fragrances

On the other hand, I am not prepared to give weight to Mr Edwards' statements that that 'launching a fragrance under the name BEAUTIFUL was... highly distinctive'. This is, of course, the very matter which falls to me to determine as per the directives of the case law, much discussed above. And the fact that Estee Lauder may have been a fashion leader does not address the question of whether or not other honest traders would wish to use the word *beautiful* for the sake of its ordinary significance, and in the description and promotion of their own perfumes.

Trade evidence - the Coffey declaration

The last declaration, the Coffey declaration, was handed to me by Mr Doyle at the hearing. It is an account of a telephone survey that Ms Coffey conducted on behalf of Estee Lauder. The survey was designed, says Ms Coffey, to ascertain as objectively as possible from a

cross section of traders in the perfume sector whether they recognise the trade mark BEAUTIFUL as indicating the goods emanating from one particular source, whether they could identify the source of the goods bearing the trade mark, and to ascertain the means by which customers refer to goods bearing this mark. To this end her Firm extracted a list of some 68 appropriate retailers and Ms Coffey then attempted to interview each one by telephone. She contacted some 38 and one way or another a field of some 19 responded. Ms Coffey has attached the questionnaire and responses to her declaration. 100% of these perfume and cosmetic retailers acknowledged that they were aware of a perfume product called BEAUTIFUL. Almost all of them identified this as an Estee Lauder product. Many acknowledge the ordinary descriptive meaning of the word, but, in terms of perfume products in the main they expected customers to use the name BEAUTIFUL if they seek to purchase the Estee Lauder perfume. This, I think is persuasive evidence that, at the time of the interviews, BEAUTIFUL had a good deal of currency in Australia, as a trade mark, owned by Estee Lauder, and used in respect of perfume. As evidence, however, it is ruled out by virtue of its timing. Although Ms Coffey does not identify the date of the interviews in the body of her declaration, each of the completed questionnaire sheets is headed up with a date. These dates range from 4 January 2000, to 1 February 2000. For the purposes of subsection 41(6) however, evidence is required to show the force of the trade mark in the marketplace at the date of application — here 7 March 1995. Ms Coffey's interviews do not do that. They show the state of the marketplace in early 2000, some five years after the required date.

Decision

I have found that the trade mark BEAUTIFUL is not, to any extent, inherently adapted to distinguish the designated goods, *perfumery, essential oils and cosmetics*. The evidence is sum, however, warrants, in my opinion, a finding that the trade mark is fit to proceed in accordance with the provisions of subsection 41(6) if the designated goods are restricted to read *perfumes*.

- In coming to this decision I can give no weight to Ms Coffey's evidence.
- I do give due weight to the Argenti and Moradian declarations. These, in sum, indicate that BEAUTIFUL is one of the top selling perfumes in Australia. While a good deal of this evidence post dates March 1995 (the Grace Bros evidence at DB-6 I is dated May 1996, and the records of the top selling perfume brand for Myers/Grace Bros and David Jones, are all post filing) these declarations do establish substantial market activity in the years

1985 - 1995. It includes the wedding advertising campaign promoted through leading fashion magazines, and multimillion dollars worth of sales.

- I give significant weight, however, to the evidence from Mr Edwards. His declaration establishes that from 1985, Estee Lauder's BEAUTIFUL perfume set new trends, and proceeded to such success that Mr Edwards, an expert evaluator of perfumes and fragrances with over 25 years experience in the perfume industry, is prepared to describe it as one of the world's top fragrances. Over the past 15 years (and of those ten are pre filing) BEAUTIFUL he says has gained extensive consumer reputations and huge popularity. I accept that Mr Edwards' evidence goes beyond mere volume of sales, extent of turnover and outlay on advertising. I accept it as expert evidence, and find that it demonstrates that before the filing date of 7 March 1995, BEAUTIFUL did distinguish *perfume* as being the goods of Estee Lauder.

Demonstrated use in respect of goods other than *perfume*, is not, I find, sufficient to establish that the trade mark BEAUTIFUL distinguishes those goods (*essential oils* and *cosmetics*) as the goods of Estee Lauder. They do not rate a mention from Mr Edwards.

Accordingly, I direct that, subject to the goods of this application being amended to read *perfume*, trade mark application 654996 may proceed to registration. I allow the applicant one month from the date of this decision to seek to delete the present statement and to replace it with *perfume*. Unless that request is received within the time allowed, I will proceed to reject trade mark application 654996.

Helen R. Hardie
Deputy Registrar
12 May 2000