



TRADE MARKS ACT 1995

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

Re: Opposition by DOWN TO EARTH (VICTORIA) CO-OPERATIVE SOCIETY LIMITED to registration of trade mark application number 672333 in the name of GEORGE SCHMIDT for the trade mark EARTHAVEN CONFEST in class 41

Application number 672333 was filed on 13 September 1995, in the name of George Schmidt. The original application was for the registration of a series of word marks, viz. EARTHAVEN CONFEST, EARTHAVEN CONFEST GATHERING, CONFEST and EARTHAVEN GATHERING covering the statement of services, “Education, training, cultural activities, entertainment”, in class 41. Following an objection by an Examiner of Trade Marks that the marks did not qualify as a series, Mr Schmidt requested that the application be restricted to the single mark, **EARTHAVEN CONFEST**. That trade mark was advertised as accepted in the *Australian Official Journal of Trade Marks* of 12 September 1996.

Notice of opposition to the trade mark’s registration was filed by Down To Earth (Victoria) Co-Operative Society Limited, (hereafter DTE), on 7 November 1996. The notice of opposition listed a number of grounds, seven of which were later pursued by DTE at the hearing. These are listed under the **Submissions** section of the reasons for this decision, in the summary of DTE’s case.

The service and filing of the evidence in support, answer and reply from the respective parties were completed by 15 December 1997. Mr Schmidt requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Melbourne on 4 February 1998. DTE was represented by Mr Chris Sgourakis of Griffith Hack, Patent and Trade Mark Attorneys. Appearing for Mr Schmidt was Mr Nigel Hamilton of Counsel.

Evidence

Evidence in Support

Statutory declarations by Matti Hanane of 25 February 1997 (first Hanane declaration) and exhibits 1 to 30, Byron Porter of 30 March 1997, Rene Gordon Wells dated 31 March 1997, Cheryl Boston dated 31 March 1997, Horst Eisfelder dated 31 March 1997, Paul Grant dated 31 March 1997, David Cruise dated 31 March 1997 and Bryce Pyatt dated 31 March 1997

Evidence in Answer

Statutory declaration by George Schmidt dated 6 August 1997 and exhibits 1 to 8

Evidence in Reply

Statutory declarations by Matti Hanane dated 6 November 1997 (second Hanane declaration) and exhibits 1 to 3, James Atkinson Connolly dated 3 December 1997, Graham St John dated 3 December 1997, George Ely dated 1 December 1997, Robert Drury dated 1 December 1997, Horst Eisfelder dated 1 December 1997, John Kendell O'Brien dated 1 December 1997, Malcolm Hiort dated 29 November 1997, Barry Newton dated 1 December 1997, Deborah Lord dated 8 December 1997, Darren Underwood dated 5 December 1997, Mark Barravecchia dated 5 December 1997 and Glen Adam Heinleslater dated 7 December 1997

Background

There is some dispute regarding the first use of the word CONFEST in Australia. It is claimed alternately by DTE to be a trade mark which was first used in 1976 by a group of individuals and which had then belonged to it from at least 1979, and then by Mr Schmidt as being a generic word describing a conference with a festival character which was coined around 1974 and later used by a variety of organisations over the years until the date of the present application.

George Schmidt, was involved in a variety of roles in the DTE organisation between 1979 to 1995. These included Director, Secretary and Coordinator, editor and author of various texts relating to DTE and the alternative lifestyle movement in general, and as an "elder" of the alternative lifestyle movement of which DTE was a part. In Mr Schmidt's declaration, he said

that he had been involved, on a volunteer basis, in the opponent organisation. He said that he had invented the word EARTHAVEN in 1978 to describe a centre for human development that he had set up in the Shire of Sherbrooke near Melbourne. He had combined that word with what he said was the generic term CONFEST to create the presently applied for trade mark. He said that "Earthaven Festivals" had been held in 1996 and 1997 and that it had been intended to hold another event in 1998 under the EARTHAVEN CONFEST banner.

Matti Hanane, a Director and present Chairman of the Board of DTE, said in his declaration, that Mr Schmidt had been alternately a Director and Secretary of DTE from 1979 to 9 October 1995, at which date he had ceased to be a Director of the group. Mr Hanane said that the word CONFEST was a trade mark owned by DTE, and that it had become fixed in the minds of the public as only denoting the gatherings and other services organised by that party. Annexed to his first declaration were exhibits including copies of his organisation's rules, aims, history, advertisements and newspaper articles which, he said, supported his contention that the word CONFEST was a trade mark with a reputation which attached itself to DTE. Also included in DTE's evidence were declarations from a number of individuals who had related their knowledge of the word CONFEST and their association of it as being a trade mark belonging to DTE.

Mr Schmidt said, in his declaration, that Dr Jim Cairns, a former federal politician, had asked Mr Schmidt and others in 1973 to assist him in the formation of a movement to spread his philosophy of an alternative to society. Mr Schmidt said that this movement had taken shape in conferences and festivals from 1974 onwards and that the word CONFEST had been coined, to indicate a, "festival with the focus on exploring the alternatives". This name had been allegedly used to distinguish these alternative lifestyle festivals from music and religious festivals, and to describe the type of gathering taking place. Mr Schmidt said that many different organisations had used the word over the years in a generic sense, including a group called "Research for Survival", which, he said, had organised a CONFEST at a site on the Cotter River, ACT in 1976. He said that, because of the nature of the alternative lifestyle movement, very few records had been kept of the various uses. However, he referred to several of the exhibits to his declaration which, he said, showed descriptive use of the word CONFEST, both

in Australia and overseas. These included copies of recent reports of what were referred to as CONFESTS in South Africa, the Northern Territory and Queensland. He also included photos of promotional posters from the late 70s and early 80s of events described as CONFESTS which, he said had not been directly organised by DTE but by loose associations of people calling themselves “Down To Earth”.

On his part, Mr Hanane said in his declaration, that a precursor of DTE - a group calling itself “Down to Earth” - had been the first user of the term CONFEST which had been coined at the Cotter River gathering in 1976 and had been used by DTE, in incorporated form, since March 1979. Several informal “Down to Earth” groups had apparently used the name CONFEST in relation to similar gatherings but Mr Hanane said that this use had ceased in the early 1980s. He said that only DTE had continued to use the name in relation to its own gatherings and it now had a mailing list of approximately 6,000 people who received materials from DTE regarding its activities under the CONFEST name. Mr Hanane declared that the organising and running of such activities was DTE’s primary activity. He said that the word CONFEST had been formed from the first three letters of the word CONference and the first four letters of the word FESTival and had been meant to convey the general nature of such events. He said that DTE’s CONFEST gatherings were well known throughout Australia and overseas, and that his organisation had organised some 25 gatherings under the CONFEST name since 1979 at various locations throughout South-Eastern Australia. He said that DTE had used the term in a trade mark sense, rather than descriptively, and pointed for support of this contention at exhibits to his declaration, comprising various newsletters, leaflets, brochures, advertisements, letters and newspaper articles.

DTE itself has latterly applied for registration of the trade mark CONFEST and covering a statement of services relating to the organising of festivals connected to alternative lifestyle and environmental issues. The examination of that application has been deferred, apparently pending resolution of the present opposition.

Submissions

Both sides made comprehensive submissions and I have attempted here to briefly summarise those arguments. Mr Sgourakis said that DTE was relying, in its opposition, on seven grounds. These were that:

- the application for registration had been amended contrary to the Act (s.62),
- the trade mark had been accepted on the basis of false evidence or representations made to the Registrar (s.62),
- the present mark was substantially identical with, or deceptively similar to, DTE's trade mark which had been used by DTE before the present mark's priority date and which had acquired a reputation in Australia as indicating that party's services, thus leading to likely deception or confusion (s.60),
- the use of the present mark in relation to Mr Schmidt's services would be likely to lead to deception or confusion because of some connotation that the trade mark had (s.43),
- Mr Schmidt had not intended to use, or authorise the use of, or to assign the trade mark in relation to the services covered by the specification (s.59),
- Mr Schmidt was not the owner of the trade mark and therefore had not been entitled to apply for registration (s.58), and
- the use of the trade mark would be contrary to law (s.42).

With respect to the allegation that the application form was amended contrary to the Act, Mr Sgourakis said that the original series application had stated that it was for a series of three marks and yet there had been four marks on the application form. It had then been amended on Mr Schmidt's request to the present single mark. Mr Sgourakis said that the restriction was therefore contrary to the Act, as Mr Schmidt had been allowed to "pick and choose" from what had been an ambiguous claim for registration.

Mr Sgourakis said, in relation to the claim that the mark had been accepted on the basis of false evidence or representations, that this had occurred when Mr Schmidt had replied to the examiner's first report, expressing his view that the word CONFEST was generic. This, said Mr Sgourakis, had been a false representation which had led to the trade mark's acceptance and was thus contrary to the Act.

Mr Sgourakis said that the relevant criteria for determining whether the present trade mark was either substantially identical with, or deceptively similar to DTE's mark CONFEST was outlined in *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, (1961) 109 CLR 407. He said that the essential feature of each mark was the unusual and invented word CONFEST. He said that, although there might be some allusion in the mark to conferences and festivals, there was no *obvious* derivation such as was evident in cases as the word ROHOE in *Howard Auto-Cultivators Ltd v Webb Industries Pty Ltd* (1946) 72 CLR 175. He said that the word CONFEST was not one found in dictionaries and was more akin to such registrable words as WHISQUEUR and BITUMETAL. He said that it was important to note that no objections under s.41 of the Act had been taken by the examiners of this application or to DTE's own trade mark. He said that this indicated that the Trade Marks Office had acknowledged that the word CONFEST was inherently adapted to distinguish. He said that the addition of the word EARTHAVEN, in an arguably geographic sense, to CONFEST in the present mark was not an important difference, leaving a total impression of resemblance emerging from any comparison of the respective parties' marks and that therefore the marks were substantially identical.

In relation to the trade marks being deceptively similar, Mr Sgourakis said that anyone having an imperfect recollection of the word CONFEST would be likely to be deceived or confused when confronted with the EARTHAVEN CONFEST mark. He said that this was especially so given the tendency of people to abbreviate such terms, the highly unusual nature of the latter word and the inference by people that EARTHAVEN might be a different theme of CONFEST, and thus a description or sub-set of the latter mark. Additionally, the nature of the services and the market through which they were purchased were the same for both marks and the price for those services was not high. He said that the promotion of such events would usually be by word of mouth and less formal communication channels, making it easier to confuse the two marks.

With respect to whether a substantial or extensive reputation in a particular market was necessary to trigger s.60, Mr Sgourakis said that the Act seemed to distinguish between "acquired a reputation" - (s.60) and "well known" in Australia - s.120(3). He submitted,

therefore, that DTE only had to establish a modest and not insignificant reputation for the purposes of s.60. He went through instances in DTE's evidence, saying that they demonstrated that body's extensive use of, and reputation for, the word CONFEST, for services related to alternative lifestyle gatherings from before the priority date of the presently opposed application. He said that the instances of use of that word by other parties, shown in Mr Schmidt's evidence, was not relevant because they were either long ago by now disbanded groups, one-off instances, in overseas locations, or after the date at which the matter should be determined.

He said that the principles with respect to deception and confusion under s.60 of the Act were the same as those for s.28(a) of the *Trade Marks Act 1955* and that these had been outlined by Heerey J in *Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd* (1997) AIPC 91-332. From this authority, it was clear that once DTE had discharged the initial onus of showing its reputation in the word CONFEST and also that a substantial number of people might be caused to wonder as to the ownership of the present mark, then there was an onus placed on Mr Schmidt to show that there was no reasonable possibility of that occurring. He said that there was no need for DTE to point to any actual instances of deception and confusion occurring.

Mr Sgourakis said that DTE's evidence showed that it had often promoted its "CONFESTS" with a place names preceding them, such as Wangaratta and Tocumwal, and that the relevant public might see the word EARTHAVEN as being such a geographical reference referring to a gathering organised by DTE, or some sort of theme for the gathering. He said that DTE's evidence showed that such a reference had been made to Earth Haven as being the proposed site for a gathering in DTE's promotional material. Thus, submitted Mr Sgourakis, DTE had established a strong prima facie case that deception and confusion would be likely if the mark was registered and that Mr Schmidt had done nothing to refute this.

In relation to whether, because of some connotation that the mark had, that deception or confusion might occur, Mr Sgourakis said that it was unclear from s.43 whether the connotation referred to was inherent in the mark itself or whether external factors should be taken into account - such as acquired distinctiveness through use. He said that the case of *Melhero Pty Ltd v Club X Pty Ltd* (1997) 37 IPR 151 at 199 supported his contention that the wording of

the section was wide enough for both interpretations. Therefore, he said, because the subject mark included the word CONFEST, it had a connotation which linked it in the relevant public's mind with DTE. He said that this connotation had been brought about by the long and extensive use by that party.

On the ground that Mr Schmidt did not use, or intend to use, the subject trade mark in relation to the services included in the specification, Mr Sgourakis said that the principles relating to an intention to use a trade mark were cited with approval in *Ritz Hotel Ltd v Charles of the Ritz & Anor* (1988) 12 IPR 417. He said that, as at the date of application, Mr Schmidt had no honest, definite or present intention to use the mark in relation to the services. He said that it was uncontested in the evidence that Mr Schmidt had applied for registration of the mark while he had been a Director of the opponent organisation. He had written various articles on behalf of DTE, whilst being an office bearer for that organisation. As such, he had acknowledged that entity's ownership of the mark CONFEST. Mr Sgourakis said that it also could be inferred, from the evidence, that Mr Schmidt had been asked to register the name as a trade mark on DTE's behalf. Mr Sgourakis said that, given Mr Schmidt's position with DTE at the date of the application, he had no intention at that time to honestly use the mark himself. He said that DTE had rebutted the prima facie evidence of intention to use and the onus had now shifted to Mr Schmidt to justify the mark's registration - *Dunn's Trade Mark* (1890) 7 RPC 311 (HL). This, he said, had not been done.

Mr Sgourakis said that Mr Schmidt was not entitled to apply for registration as he was not the owner of the trade mark - *Hicks' case* (1897) 22 VLR 636. On the question of whether the opposing parties' marks were the same or substantially the same, Mr Sgourakis said that it had been said, in an unreported decision of the Registrar's delegate in August 1993 - *Oroton Pty Ltd v Lifinia Pty Ltd* that, for the purposes of proprietorship, the marks did not need to be identical but did need to be much closer to each other than just being deceptively similar. He said that the word CONFEST was a distinctive and unusual invented word and that the addition of the word EARTHAVEN in the present mark did not sufficiently differentiate the marks, leaving them as being substantially the same. The services of both parties were clearly the same and that the evidence showed that DTE had used the CONFEST mark since at least 1979 -

well before the present application date. This use had initially been by an amorphous group in the 1970s but DTE had continued and expanded this use, in a trade mark sense, from 1979 onwards. He said that Mr Schmidt had written, on behalf of DTE, an article about a gathering at a site called Earth Haven, and that DTE therefore had first use of that word and was the true owner of the present mark.

Mr Sgourakis said that the use of the trade mark by Mr Schmidt would be contrary to law because he had breached his common law duties as a Director of DTE. This, he alleged, had been because he had not acted in good faith in relation to DTE and had made improper use of his position to gain personal advantage or to cause detriment to that party.

He closed his submissions by seeking costs in the matter on behalf of DTE.

Mr Hamilton said, on behalf of Mr Schmidt that, in relation to the ground that the application had been amended contrary to the Act, that the correction had only been made to adjust an obvious error and that this should not be fatal to the application.

He said that the community was used to seeing such combinations as drugfest and lovefest to describe certain events and that the derivation of the word CONFEST was also obvious to the relevant public as an amalgam of the words CONFERENCE and FESTIVAL. He said, in a contrary argument to Mr Sgourakis' submissions, that the situation was very much the same as that in the ROHOE case *Howard Auto-Cultivators Ltd v Webb Industries Pty Ltd*, supra, where the derivation of the word was clear. He said that Mr Schmidt was one of the founders in this country of the alternative lifestyle movement and that his evidence showed how the word had been coined and used over the years to become a generic term used to denote a particular type of event. He said that the many examples in the evidence of the general use of that word supported this contention.

Mr Hamilton said that Mr Schmidt had been a volunteer member of DTE for many years and had been an "elder" of that group. He had now left the organisation and had, with others, started other festivals under the EARTHAVEN CONFEST banner. These festivals, he said,

were more laid back and family oriented events than those run by DTE. He said that Mr Schmidt had created the present mark in 1978 from a combination of the invented word EARTHAVEN and the generic term CONFEST and was therefore entitled to be the owner of the trade mark by coining it and applying for its registration. He submitted that the mark, as a whole, was well adapted to distinguish the services of Mr Schmidt.

With respect to the ground of opposition that trade mark was similar to DTE's trade mark that had allegedly acquired a reputation in Australia, Mr Hamilton said that paragraphs (a) and (b) of s.60 of the Act should be read conjunctively, meaning that the first inquiry should be whether the mark was the same or similar to a mark which had achieved a reputation, and then whether any use of the former mark would lead to deception or confusion. He said that, in relation to any comparison of the two marks in question, he too relied upon the tests outlined in *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, supra. He said that the distinctive word EARTHAVEN easily distinguished the present two word mark from the word CONFEST, *solus*. Given this, he said, the two marks were neither substantially identical nor deceptively similar.

In relation to whether DTE had any reputation in the word CONFEST, Mr Hamilton said that, from the evidence, it seemed that that word had been used regularly in a generic sense and if there was reputation at all for DTE, it resided in the term DOWN TO EARTH. He said that the mere possibility of deception or confusion was not enough to offend under this section - there should be instances shown of such confusion. He referred for support here to the words of Beaumont J in *Melhero Pty Ltd v Club X Pty Ltd*, supra, saying that the onus was on the opponent to demonstrate that the use of the applied for mark would cause deception or confusion which it had not done. He said that less weight should be given to the declarations included in DTE's evidence because the declarants were members of that organisation, and also because they were of a proforma type and merely signed by the declarant. He said the lack of any mention of the word CONFEST in dictionaries was not important because the relevant public knew about the word and what it meant. He said that it was that public - the ordinary people who attended alternative lifestyle festivals - who were important in the determination of whether deception or confusion would occur.

Mr Hamilton said that Mr Schmidt was the owner of the present trade mark because he had coined and used the mark, and had, most importantly, applied for its registration. He said that Mr Schmidt had used the mark on the services included in the specification and intended to continue to do so.

With respect to whether the use of the present trade mark would be contrary to law, Mr Hamilton said that it had been applied for after Mr Schmidt had left the opponent organisation. This late announcement was objected to by Mr Sgourakis as a denial of natural justice to DTE - and unsubstantiated in any case. Mr Hamilton said that, in any case, it would not be inappropriate for Mr Schmidt to apply for the present mark because he had himself coined the word EARTHAVEN and the word CONFEST was generic.

Mr Hamilton closed his submissions by asking for costs in the matter to be awarded in favour of Mr Schmidt.

Discussion

In applications for registration, the rights of the parties are to be determined as at the date of application - here 13 September 1995 - *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 595.

Section 62 reads as follows:

Application etc. defective etc.

- 62.** The registration of a trade mark may be opposed on any of the following grounds:
- (a) that the application, or a document filed in support of the application, was amended contrary to this Act;
 - (b) that the Registrar accepted the application for registration on the basis of evidence or representations that were false in material particulars.

Mr Sgourakis has alleged here that the application fell foul of paragraph (a) because the Examiner of Trade Marks had allowed Mr Schmidt to “pick and choose” his mark and then deleted from the original application form all but one of an alleged series of marks. I cannot agree with Mr Sgourakis that such an amendment was contrary to the Act. Amendment to an

application form, after the particulars have been published, is permitted under s.65 and, specifically, under paragraph (5) of that section, to any particular specified in the application, providing that the rights an applicant would have after registration have not been extended. Such is the situation in the present case, where the application was amended following an examiner's objection during the examination of a trade mark and where the examiner sought Mr Schmidt's agreement to the amendment. The application was amended from that for a series of marks to that of a single trade mark. Therefore, the rights enjoyed by Mr Schmidt, if registration is ultimately achieved, were restricted following the amendment. Mr Schmidt was not "able to pick and choose" - he merely reduced the scope of his potential registration from a number of marks to one.

I also believe that the incorrect reference by Mr Schmidt to the number of claimed marks in the series application had no bearing on the final result and that the amendment was legitimate for the purposes of clarifying his rights. His statement that there were three marks in the series, when there were actually four, was an obvious error which was corrected when the series application was reduced to that for a single mark. I also believe that Mr Schmidt's statement about the registrability of the word CONFEST, when he agreed to restrict the series to a single mark, did not have any bearing on the acceptance of the trade mark. No mention was made by the Acceptance Officer regarding this aspect when the mark was accepted. I therefore find that the opposition, as it is based on the grounds under s.62, is not successful.

Section 60 reads as follows:

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

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.

To judge whether the subject trade mark is substantially identical to that claimed by DTE, it is necessary to carry out a straight comparison of the marks. As both Mr Sgourakis and Mr

Hamilton agreed at the hearing, the pertinent tests are as outlined by Windeyer J. in the case of *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, (supra) at 414. These are:

In considering whether marks are substantially identical they should, I think, 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 similarity that emerges from the comparison

When the trade marks in question here are compared side by side, they have distinct differences which are readily observed. Mr Schmidt's trade mark comprises two words and DTE's one - albeit with one of the words being common - and I think that the word EARTHAVEN is a significant integer in the mark. Therefore, having applied the test of Windeyer J., it is obvious that the marks are not the same, despite the common word CONFEST. I therefore find that the marks are not substantially identical and move on to decide if they are deceptively similar.

Section 10 of the Act defines a mark as deceptively similar if it so nearly resembles that other mark that it is likely to deceive or cause confusion. Here, the marks should not be placed side by side but consideration should be given to any common net impression inferred from the two marks. I refer here to the judgment in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641 at 658, where Dixon and McTiernan JJ. said:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

It is not possible to determine whether the present mark EARTHAVEN CONFEST is deceptively similar to the mark CONFEST alone without first considering whether the latter word is inherently adapted to distinguish. I do not think that there can be any doubt that the services covered by both of the trade marks are the same. It is true that the word CONFEST is one which is not found in the standard dictionaries. Neither of the prefixes CON- or CONF- is

listed in the *Macquarie Dictionary* as an accepted abbreviation for “conference” although CON *per se* is listed as being a colloquial abbreviation for “conservatorium” and “convict”. However, the suffix -FEST is defined as “...a suffix indicating a period of festive or enthusiastic activity in the thing named: lovefest, musicfest, talkfest”. The combination of these two integers leaves a word which, in my opinion, requires some degree of intellectual activity from which to infer a meaning. Does the word suggest a festival at a conservatorium, a festive gathering related to conservation, an open day at a prison, or a festival where there is a concert? Some of these may be extreme examples but to say there is only one obvious meaning is also excessive. Therefore, although there might be some allusion to a conference with a festival attached, or vice versa, in the word CONFEST, I think that an obvious meaning is not immediately apparent. I believe that Mr Hamilton’s claim, that the relevant public would easily make the connection that a CONFEST was a conference incorporating a festival, is not necessarily the case. It would not be illogical for many people attending a festival, where recycling and care for the environment were stressed, to infer that the prefix CON- was a reference to CONSERVATION. I am consequently of the opinion that it qualifies as a *portmanteau* word - a coined word formed by telescoping two dictionary words - *Australian Law of Trade Marks and Passing Off* (Second Edition) by D.R. Shanahan, pp.96-97 and *Hallgarten’s Appn* (1948) RPC 105 (UK Reg.). Thus, it is *prima facie* qualified for registration.

The next question to be answered is whether DTE has established a reputation in the word CONFEST amongst the relevant public or whether it has, conversely, become generic through use. I believe, from the evidence, that the original coinage and use of the mark CONFEST has become shrouded in the mists of time. This is because the original groups who used the mark either disbanded in the late 1970s and early 1980s, or evolved into associations such as DTE. It is also the case that the few records which were made by the volunteer office bearers of such bodies disappeared as being, in Mr Schmidt’s words, “being too heavy, man” to retain. However, with a very few exceptions, it appears that the only group who continued to use the term, in an increasing and trade mark sense, was DTE. This is evident from Mr Schmidt’s own writings made when he was an office bearer and therefore servant of that organisation. DTE has assembled a great deal of evidence which includes historical material, advertisements and other information concerning itself and the festivals it has organised under the CONFEST banner from

1979 until past the present application's date. Additionally, DTE has included, in the evidence, supporting declarations from a number of people who declare as to their association of that word with that organisation. All of this material goes a long way towards showing long and extensive use of, and reputation in, the name CONFEST by DTE, in a trade mark sense, since before the present mark's priority date. Mr Hamilton did submit at the hearing that the supporting declarants were members of DTE, although this is not apparent from the evidence. However, I am aware that this could well be the case and I have taken this into consideration in my deliberations. Notwithstanding this, I do not regard all of the supporting declarations as being proforma in type. In some there are questions asked which require a Yes or No answer but there are a considerable number where the declarants are also required to provide a degree of information in their own words.

On his part, Mr Schmidt has submitted, with his declaration, examples of use of the word CONFEST by other organisations. Early instances he pointed to were between 1977 to 1980 by organisations calling themselves "Down To Earth" - although it is uncertain who were the members of these groups. However, all but one of the recent instances of use were either after the critical date, or at overseas locations. Mr Schmidt also said that Earthaven Festivals were held in 1996 and 1997 but, again, this is after the date at which the matter needs to be considered. Mr Hamilton referred to the early use of the CONFEST term by the original group surrounding Dr Cairns and explained Mr Schmidt's role as one of the originals of that number. He also pointed to the other alternative lifestyle organisations who had used the mark, saying that this had made the word generic.

However, as I have said, there is very little in the evidence before me regarding use by anyone other than DTE, after about 1980. Some use of the word CONFEST may well have been made by other groups or individuals in recent years, although actual evidence of this is slight, but Mr Schmidt has not done enough to show me that the word was in common use in the trade, as at the relevant date. Therefore, I can only infer that the word has not been used in a generic sense sufficient to render it unable to distinguish DTE's services. I am consequently of the opinion that the only significant reputation in the mark, amongst the relevant festival-attending

public, resided with DTE and that the word CONFEST could legitimately be inferred as being the property of that organisation..

I now turn to whether the addition of the word EARTHAVEN in the present trade mark is sufficient to differentiate the marks. Mr Schmidt did write, in his capacity as a contributor to one of DTE's publications - and therefore presumably on its behalf - about an Earth Haven Project, where donations were needed towards a target of \$40,000 to create a centre representing a, "...(h)aven for those who need to be in a safe, caring and supportive - and honest - place..." at a location "between Ayres (sic) Inlet and Lorne", in Victoria. Thus, he used the latter term in both a geographical and descriptive sense. DTE's evidence has many references to its "CONFESTS" in association with the year, season, or different geographical locations where they were held, eg Moama, Daylesford, and Berri. Therefore, any use of the word CONFEST, a word which I have already found to be the property of DTE, with EARTHAVEN could be inferred as indicating a variation on a theme - either in a geographical sense or perhaps related to concerns about the safety or well being of the Earth. I am therefore of the opinion that it would not seem unreasonable to infer from the use of the term EARTHAVEN CONFEST that it was one of DTE's festivals at a particular place or with a particular theme. I think that would be the net impression carried away by someone who knew of DTE's mark and then encountered Mr Schmidt's mark.

The risk of deception and confusion must extend to a substantial number of people likely to be concerned in the purchasing of the services - *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300. Here it is not the wider community who would partake of the services but a relatively small niche market. These people are, I believe, the ordinary attendees of festivals and similar events which are irregularly held over long weekends such as over New Year, Australia day, Easter, Anzac day or the like. Many of the *cognoscenti* with respect to such events might well be able to make the distinction between a Down to Earth Confest and an Earthaven Confest. However, a great deal more would rely on word of mouth, or on brief "flyers" distributed at concerts etc., for their knowledge of upcoming festivals and might not be aware of the difference between the organisations running the events. This could arise, for example, if a gathering advertised as a "Confest" was being held at Easter at a certain location

and, being aware of DTE's reputation for holding such events, attendees could be deceived or confused as to whether it was in fact being run by that organisation or by Mr Schmidt's group. I therefore find that the opposition is successful as it is based upon this ground.

Section 43 reads as follows:

Trade mark likely to deceive or cause confusion

43. 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.

"Connotation" is a new term in trade mark legislation and as such has not yet been interpreted by the courts. The following are two dictionary definitions which define the ordinary meaning:

Macquarie Dictionary:

1. the act or fact of connoting. 2. that which is connoted; secondary implied or associated meanings(as distinguished from denotation); for example the word "bum" has connotations of vulgarity.

Oxford English Dictionary

1. The signifying in addition; inclusion of something in the meaning of a word besides what it primarily denotes; implication.

Therefore it can be said that the word connotation refers to that which is implied in a trade mark - in addition to its essential or primary meaning. A connotation can result from the trade mark as a whole, or can result from a sign contained within the trade mark. The prominence and context of the potentially deceptive or confusing element in the trade mark is important in deciding whether the trade mark is likely to deceive or cause confusion. Considerations under s.43 concentrate on the matter within the trade mark that could cause deception or confusion in the mind of the relevant buying public. For example, deception or confusion could arise in regard to the character of the services, or the implied endorsement or licence of services by a person or organisation.

In *Dunn's Trade Mark*, (supra), at 318, Lord MacNaughten said:

Unfortunately in the competition for business a trader not unfrequently endeavours to attract custom by representing that the goods which he offers for sale are different in origin, composition, or character from what they really are. The public are constantly tempted to buy

one thing when they think they are buying another. It is not, as it has been observed, the province of the Court to protect speculations of this kind. Between rival traders that application of the principle is necessarily a matter of extreme difficulty. But as between the innocent public and a trader seeking registration of a proposed trade mark, there is, I think, no room for hesitation or doubt. The Statute allows any person to oppose an application for registration, whether he has or has not a personal interest in the result. It declares that it is not lawful to register as part of, or in combination with, a trade mark, any words, the exclusive use of which would, by reason of there being calculated to deceive, be deemed disentitled to protection in a Court of Justice. It seems to me that in registering trade marks the principle to which the enactment so plainly refers ought to be applied without any qualification whatever, and, that the Comptroller ought to reject words which involve a misleading allusion or a suggestion of that which is not strictly true, as well as words which contain a gross and palpable falsehood.

It should be stressed that the British Act of 1938 differed significantly from the Australian Act of 1955, in that within the British Act the phrase “disentitled to protection in a Court of Justice” qualifies the phrase “calculated to deceive”. However, the general principle remains the same and in practice there is very little difference. The danger of being misled by the trade mark must be immediate and the tests lie in the perceptions of the ordinary person who might use the services.

Some assistance as to the general approach to be taken when deciding whether a trade mark consists of or contains matter that could lead to deception or confusion can be found in the words of Kitto J in *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd*, supra, at 594-5. In that case, the judge was applying an interpretation of the wording of section 28(a) of the *Trade Marks Act 1955* (“A mark the use of which would be likely to deceive or cause confusion shall not be registered as a trade mark”) to a comparison between trade marks. The provisions of section 43 apply only to an evaluation of material within the trade mark itself (not between trade marks), however, the following factors, outlined at p.595 of *Southern Cross*, with suitable allowance made for the different circumstances, would also be appropriate to the application of s.43 of the current Act:

...(ii) It is not necessary, in order to find that a trade mark offends against the section, to prove that there is an actual probability of deception leading to a passing off. *While a mere possibility of confusion is not enough - for there must be a real, tangible danger of its occurring...* - it is sufficient if the result of the user of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the

two products come from the same source. *It is enough if the ordinary person entertains a reasonable doubt.* (iii) In considering the probability of deception, all the surrounding circumstances have to be taken into consideration. (This includes the circumstances in which the marks will be used, the circumstances in which the goods will be bought and sold, and the characters of the probable users of the goods ... (iv) In applications for registration, the rights of the parties are to be determined as at the date of the application. (v) The onus must be discharged by the applicant in respect of all goods coming within the specification in the application of the goods or class of goods in respect of which registration is desired, and not only in respect of those goods on which he is proposing to use the mark immediately. And the onus is not discharged by proof only that a particular method of user will not give rise to confusion. The test is, what can the applicant do if he obtains registration? (*emphases added*).

There are a number of factors to take into consideration when assessing whether the use of a trade mark is likely to be deceptive when used in respect of services. These include the nature of the services, the nature of the ordinary persons purchasing the services, and the likely nature of the transaction. I have already found that the word CONFEST is one which DTE has an established reputation in the appropriate market place. However, the disputed mark also contains the word EARTHAVEN, for which DTE does not have any renown. Notwithstanding this, the first syllable of that word is the word EARTH- which is also part of DTE's name - Down To Earth (Victoria) Co-Operative Society Limited. The combination of this element with the word CONFEST in the present mark is sufficient, in my mind, to imply to the ordinary festival attendee that the events run under that banner have the *imprimatur* of DTE. However, there appears, from the evidence and submissions at the hearing, to be a significant philosophical gap between the two parties and DTE obviously does not endorse Mr Schmidt's use of the present mark. Both DTE and Mr Schmidt provide the same type of services and are attempting to appeal to the same type of customer. Therefore, I think that deception or confusion would occur from the use of the present mark on the specified services, as it would connote that Mr Schmidt's festivals are run under the same, or similar, set of principles to those run by DTE which, apparently, they are not. Consequently, I find that the opposition is successful on this ground.

Section 59 reads as follows:

Applicant not intending to use trade mark

59. 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.

Paragraph 4.3 of Part 46 of *The Trade Marks Office Draft Manual of Practice and Procedure* succinctly expresses the Registrar's approach in this matter. It reads:

Registration may be opposed on the ground that the applicant does not intend to use the trade mark

This ground is provided for in section 59 of the Act. The applicant, by applying for the trade mark, has also made the claim that at that time, he or she is using, or intends to use, the trade mark on the nominated goods or services (see paragraph 27(1)(b)). It follows that the Registrar, by accepting the application for a trade Mark under section 33, is *prima facie* satisfied that there existed such and intention to use the trade mark, on those goods and services. For an opposition to be successful on this ground, the Registrar must be convinced that the applicant did not have an intention to use the trade mark as at the date of opposition.

Mr Sgourakis said that, because Mr Schmidt originally applied, in his own name, for a series of trade marks which included the word CONFEST whilst an office bearer for DTE, then this shows that he had no honest, definite or present intention to use the marks himself *in good faith* on the services specified. However, there is nothing conclusive in the evidence to show the exact date on which Mr Schmidt left DTE and, in my opinion, nothing turns on that in any case. This is because I do not think that there is anything in the evidence which shows a lack of good faith in his application for the present mark. He has declared that he invented the word EARTHAVEN and that the word CONFEST was generic and available for general use. I therefore do not see anything sinister in his application for a series of marks which he apparently believed were separately registrable and did not already belong to anyone.

Mr Sgourakis made other allegations relating to whether Mr Schmidt was to apply for the business name CONFEST on behalf of DTE but there is nothing to substantiate this and, in any case, it is beyond the Registrar's competence to deal with any alleged breaches of the responsibilities of office bearers.

I believe that DTE has not done anything to show Mr Schmidt's intentions, as at the date of opposition, were other than to use his mark. In fact, it would seem obvious that he did have such an intention at that time, as an "Earthaven Festival" - presumably organised by Mr Schmidt, amongst others - was held in December 1996 at Wangaratta and another in Wodonga in March 1997. I therefore must find that the opposition does not succeed under this section.

Section 58 reads as follows:

Applicant not owner of trade mark

58. The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

The term "owner" in the *Trade Marks Act 1995* equates to that of "proprietor" as referred to in the *Trade Marks Act 1955* - see p.2 of the Readers Guide to the 1995 Act. The starting point then must be to consider the nature of the claim made by an applicant for registration under s.27 of the Act which reads, as far as is relevant:

27.(1) A person may apply for the registration of a trade mark in respect of goods and/or services if:

- (a) the person claims to be the owner of the trade mark; and
- (b) one of the following applies:
 - (i) the person is using or intends to use the trade mark in relation to the goods and/or services;
 - ...

The basis of a claim to proprietorship (ownership) of a trade mark was explained by McGarvie J who said in *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402 at 413:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: *Re Registered Trade Mark "Yanx"*; *Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 203; *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 at 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* 59 ALJR 77 at 83.

...
In considering who, within s.40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: *The Shell Co of Australia Ltd v Rohm & Haas* (1949) 78 CLR 601 at 625 and 627.

In other words, the first user of the mark in Australia (for relevant services and prior to the date of application) becomes the owner at common law. That ownership, however, is limited to "the same kind of thing", as per Holroyd J in *Hicks' Trade Mark*, supra. Any small amount of use will suffice, but the effect of the act relied on to constitute use must be the creation, in the minds of those concerned, of an impression that services of a particular trader are being offered for sale, in Australia, under the trade mark.

At the hearing, Mr Sgourakis said that, because DTE was the common law owner of the mark CONFEST, by virtue of its long and extensive use of that word, then Mr Schmidt was not the owner of the mark EARTHAVEN CONFEST because the marks are substantially the same. He maintained, in the alternative, that Mr Schmidt had written, on behalf of DTE, about a site for a gathering to be called Earth Haven. He claimed, therefore, that this meant that DTE was the first user of the word EARTHAVEN and Mr Schmidt could not claim to be the owner of the present mark.

In relation to the first of these submissions, In deciding the issue of ownership, I am concerned with whether the marks are identical or so similar as to be virtually the same mark - *The Kendall Co v Mulsyn Paint and Chemicals*, supra,; and *Tavefar Pty Ltd v Life Savers (Australasia) Ltd* 12 IPR 159. The marks should be, at the very least, substantially identical. That phrase was discussed by Windeyer J in *The Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Limited*, supra. It requires a total impression of similarity to emerge from a comparison between the two marks. Contrary to Mr Sgourakis' view, I think that the word EARTHAVEN in Mr Schmidt's mark is sufficient to differentiate the two marks and I accordingly regard them as not being substantially identical.

On the second point, that of Mr Schmidt's use of the term Earth Haven when writing in a DTE publication, I have already said, in relation to the s.60 ground, that such use was either a geographical or descriptive reference, and therefore does not mean that DTE is entitled to claim, because of that reference, first use of those words and consequently the word EARTHAVEN *as a trade mark*.

I therefore find that Mr Schmidt is the first user of the whole mark EARTHAVEN CONFEST and is, subject to my other findings expressed in this decision, entitled to be regarded as its owner. Therefore, the opposition, as it is based upon this ground, is not successful.

Section 42 reads as follows:

Trade mark scandalous or its use contrary to law

42. An application for the registration of a trade mark must be rejected if:

- (a) the trade mark contains or consists of scandalous matter; or
- (b) its use would be contrary to law.

Mr Sgourakis has claimed that Mr Schmidt's use of the present trade mark would be contrary to law because he had breached his common law duties as a Director of DTE by applying for the mark's registration. Therefore he allegedly had not acted in good faith and made improper use of his position to gain personal advantage or cause detriment to the opponent. However, as I have already said, the Registrar is not competent to decide such matters. In any case, there is nothing in DTE's evidence to show when Mr Schmidt parted company with DTE, other than Mr Hanane's claim that, "George Schmidt ceased to be a Director of Down to Earth on 8 October 1995". This is also not substantiated and does not assist me in knowing when he actually resigned from the organisation.

However, notwithstanding this, I do not think, in applying for the registration of a trade mark which he believed was his own and registrable, and subsequently using it in relation to his own services, that Mr Schmidt did anything illegal or contrary to law. I therefore find that this ground of opposition fails.

Conclusion

I have found that the opposition, as it is based on the grounds under ss.62, 59, 58 and 42, has not been successful.

However, I have found that the opposition has been successful under ss.60 and 43, in that the respective parties' trade marks are deceptively similar and that any use of the present trade

mark would be likely to deceive or cause confusion, given DTE's reputation in the word CONFEST; and that because of some connotation that the present trade mark has, then its use in relation to those goods or services would be likely to deceive or cause confusion.

It therefore follows that the opposition as a whole is successful and I refuse to register the trade mark, the subject of application number 672333.

Costs

I can see no reason in the present case why costs should not follow the result. I therefore direct that Mr Schmidt pay the costs of DTE in this matter, the costs being taxed, allowed and certified by an officer of the Trade Marks Office, appointed by the Registrar for that purpose.

Ian Forno
Hearing Officer

6 April 1998