



TRADE MARKS ACT 1995

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

Re: Trade mark application number 704779 in the name of VEUVE CLICQUOT PONSARDIN, MAISON FONDÉE EN 1772 for a mark comprising the colour ORANGE in Class 33

Background

Application number 704779 was filed on 19 March 1996, in the name of VEUVE CLICQUOT PONSARDIN, MAISON FONDÉE EN 1772 (the applicant). The application was for the registration of a trade mark comprising the colour **ORANGE**, and which covered a wide range of goods in Classes 32 and 33. Following amendment to the classes claimed and to the statement of goods, the application eventually covered the statement of goods, "wines including champagnes and sparkling wines" in Class 33.

An Examiner of Trade Marks objected to the trade mark's registration under s.41 of the *Trade Marks Act 1995*. He alleged that the mark was not capable of distinguishing the applicant's goods from those of other traders. This was because it consisted simply of the colour orange and, as such, was not adapted to function as a trade mark because other traders were likely to wish to use that colour in relation to their own goods. He also sought the applicant's consent to change the description of the mark, as filed, from: "*The trade mark is the colour orange more particularly referred to as pantone colour 137c when used in relation to the goods of the application*" to, "*The trade mark comprises the colour orange, as depicted in the representation attached to the application form, when used in relation to the goods of the application.*" The applicant's attorney replied, seeking to restrict the goods of the application to "champagnes and sparkling wines" in Class 33, and submitting that the

mark was capable of distinguishing those goods, especially given the long history of the use of the mark in Australia, and its registration in France and the United Kingdom.

There then followed a lengthy exchange of reports from a series of Trade Mark Examiners, all maintaining the objection that the trade mark was not capable of distinguishing, and letters in reply from the attorney, Freehills, patent attorneys, seeking to rebut this allegation. To support the applicant's case, the attorney filed a substantial amount of evidence of the history, use and reputation of the mark. This evidence took the form of statutory declarations by officers of the applicant and persons prominent in the wine trade. All of this material was intended to go towards showing the applicant's reputation in the trade, with respect to champagne, and the belief of the declarants in relation to the applicant's association with the colour orange in its advertising, labelling and sales.

During proceedings, both sides in the matter changed their stance on key issues. The applicant said, in a later response, that it now desired to include, "wines including champagnes and sparkling wines", in the statement of goods, as registration of the trade mark for champagne and sparkling wines only provided limited cover, and because the mark was, allegedly, shown by the evidence to be distinctive of all wines generally. For its part, the Office had offered, in one examiner's report, to register the mark under subsection 41(5) for champagne only and for a specific description of the trade mark - presumably because it was assessed as being, to some extent, inherently adapted to distinguish those goods. This offer was rescinded in the next report and an objection taken under subsection 41(6), on the basis that the colour orange had no capacity to distinguish the applicant's claimed goods. An examiner in the case, in the final report, discussed the evidence which the applicant had filed and the case law relied upon to argue registrability. However, she said that this was not persuasive enough to accept the mark for registration. She then said that she was only willing to accept the mark for registration under the conditions outlined in an earlier report. These were: acceptance under subsection 41(6), a statement of goods limited only to "champagnes", and with the mark's description shown as, *"The trade mark consists of the colour orange, as represented on the application form, when used as the colours (sic) of labels applied to bottles of champagne"*.

The applicant requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Melbourne on 3 February 1999. The applicant was represented by Mr David Shavin QC, instructed by Mr John Barker of Freehills.

Submissions

Mr Shavin made quite extensive submissions in the matter and I will here briefly outline what I consider to be the main points he made. He said that the applicant believed that the examiners in the case had fallen into error in distinguishing, as different goods, champagne, sparkling wine and wine. He said that, in Class 33, the general heading was "Alcoholic beverages (except beers)" and, within that, the only relevant specification covering the applicant's goods was "wine". He said that all wines could only be considered as goods of the same description and that the standard tests to determine this included the nature and characteristics of the goods, their origin and purpose, whether they were produced by the same manufacturer or distributed by the same wholesale houses, sold in the same shops, to the same class of customers, and whether those involved in their manufacture and distribution are regarded as belonging to the same trade. When all of the foregoing were applied in the present case, he contended, there was no doubt that champagne, sparkling wine and wine were of the same description. He referred for support here to *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592, at 606, citing *John Crowther & Sons (Milnsbridge) Ltd's Appn* (1948) 65 RPC 369 at 372. He contended that there was no evidence to suggest that a single producer of Australian wine did not make both sparkling and still wines. He said that the applicant here, a well known champagne maker, also produced Australian still wines.

He said that such cases as *Magnavox's Appl'n* (1964) 34 AOJP 2075, at 2078, showed that it was not the normal practice of the Registrar or the courts to restrict the registration of trade marks to very specific products within a class of goods and that, to pursue this practice in the present case, it would mean that separate applications would need to be made to cover wines made from Shiraz or Chardonnay grapes, or champagnes and sparkling wines made from the latter grapes. He said that, using the methodology which had been used to limit the applicant's goods to champagne then, by analogy, the mark GRANGE should only be used on wine made from Shiraz

grapes. He said that, if the present statement was restricted to champagnes, on the ground that it was not a good of the same description as wines, then this would be unreasonable and unduly limit the applicant's capacity to take infringement action under s.120. He submitted that it was clear from all of this that champagnes, sparkling wines and wines were all goods of the same description.

Mr Shavin said that the evidence showed that the applicant had a substantial reputation for wine, particularly champagne, and that it used the particular orange colour, applied for here, as a house mark. He referred to the decision of Justice Branson in the case of *Blount Inc v The Registrar of Trade Marks* (1998) 40 IPR 498 (the OREGON case) to support his contention that the long use and wide promotion of the mark, in relation to its specific goods, enhanced that mark's capacity to distinguish it for all wines - particularly given that they were all sold through the same outlets. He also referred to the *Magnavox* case, supra, at 2078, in submitting that the mark was so well known that purchasers would be caused to wonder, and in some cases deceived, if they saw the present mark on the label of any bottle of wine. He said that, to allow the present registration for all wines would bring certainty on the matter to the industry. If another trader wished to have the mark removed for goods on which the mark was not being used, then it could take action in relation to those goods under s.92 of the Act. He said that, in any event, 99% of Australian wine consumers would not know that there was a difference between champagnes and sparkling wines, and that any use of the colour orange, in relation to the latter goods could only lead to deception and confusion, and therefore not be in the public interest.

Analysis

There is no doubt, as Mr Shavin submitted, that colours *may* (my emphasis) be registered as trade marks. In relation to the meaning of the term "trade mark", s.17 of the Act says:

What is a trade mark?

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

A sign is defined in s.6 as:

sign includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, *colour* (my emphasis), sound or scent.

However, for a colour to qualify for registration, it must, as with every other trade mark, be capable of distinguishing the applicant's goods. This capability is to be considered in terms of s.41 of the Act.

Section 41, as it is relevant here, states:

Trade mark not distinguishing applicant's goods or services

(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 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.

As Mr Shavin submitted, this section of the Act has now been judicially considered by Justice Branson in the OREGON case, *supra*. Her Honour observed, at 504, that, in applying the provisions of s.41, and in deciding whether a trade mark is capable of distinguishing, the Registrar has three options. He or she may conclude:

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

Justice Branson continued, at 504:

The structure of s 41 of the Act dictates that if the registrar reaches conclusion (a) above, then he or she will decide the question whether or not the trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons by reaching the answer that it is so capable by reason of its inherent adaptability to distinguish: s 41(2) and (3). The registrar will, in such circumstances, be required, by reason of the terms of s 33(1) of the Act, to accept the application unless he or she is satisfied that the application has not been made in accordance with the Act, or that there are grounds, independent of capacity to distinguish, for rejecting the application.

Here, the mark applied for is a particular shade of orange, as represented on the application form. The applicant did seek to clearly define that colour by reference to its "pantone" colour. However, that word is a registered trade mark and, despite the facility of the pantone (™) colour grading system in accurately identifying the exact colour sought as a trade mark, it is not appropriate to include it in the present mark's description. This is because it could, in the future, cease to be used as a means of colour identification. Thus, the best method to describe the mark is "...as represented on the registration form...".

It is accepted Office practice that a single colour is, almost always, regarded as being, prima facie, not inherently adapted to distinguish. The use of colour, as a trade mark, is discussed in paragraph 4 of Part 21 of the *Trade Marks Office Draft Manual of Practice and Procedure* (the Draft Manual). I note that, at sub-paragraph 4.6.3 of that chapter, it does say that, "...a single colour applied to the goods or packaging of the goods will in almost all cases have a very low level of inherent adaptation to distinguish...", and that there is a heavy onus on the applicant to show that the colour does or will, in the future, distinguish the applicant's goods. However, this is a guide only and the level of inherent adaptation to distinguish must be assessed in relation to the goods or services on which the colour is to be used. Subsections 4.6.1 and 4.6.2 of Part 21 say that, in considering whether a colour trade mark is capable of distinguishing, the situation should be considered under the terms of competitive need, functionality and also evidence of capability of distinguishing. In relation to the former criterion, the goods here are, at the very least, "champagnes", and labels on champagne bottles are usually attractive and colourful. I do not think that it is

unreasonable to assume that, despite the applicant's claims of the colour here distinguishing in fact because of extensive use, other champagne manufacturers might well desire to use the colour orange in relation to their own goods. With regard to functionality, the applicant's champagne is shown, in some of its advertising, in glasses brimming with the product having the orange colour for which registration is sought. This is, rather quaintly, referred to in the advertising as being, "yellow". Whilst it might not be the colour of champagne presently produced, the applicant might, in the future, wish to make its product in the colour for which registration is now sought. The use of such visual hyperbole evokes a richness and fruitiness which all champagne makers might wish to employ in relation to their own goods. From a consideration of all of the foregoing, I find that, because of the goods claimed in the present instance, then the colour orange here has no inherent adaptation to distinguish.

This conclusion brings the provisions of subsection 41(6) into operation. I must now consider whether, because of the extent to which the applicant has used the trade mark before the present filing date, it does distinguish the goods for which registration is sought, as being those of the applicant. That party has filed quite a deal of evidence in relation to the use of the mark. There is no doubt, from this evidence and from my own knowledge, that the applicant has a significant reputation for various of its marks in relation to "champagnes". However, in this instance, I must determine whether the colour orange, *solus*, has a reputation sufficient to distinguish the claimed goods. Certainly, most of the wine experts who made declarations on the applicant's behalf believe that, if the orange colour applied for was used on wine bottles in general, then they would infer some association with the applicant. None of them specifically addressed whether they believed that this was so, as at the date of the present application, but I have inferred that they would have had the same convictions then as at the dates of their declarations.

However, the evidence of actual use - as opposed to the declarants' belief that an association exists between that colour used on *any* wine and the applicant - is only on champagne. Some of the declarants said that they believed that the general wine-consuming public would also assume a connection between the applicant's colour mark and all wine. However, I am not inclined to give these latter claims much weight. It would be quite courageous, in my view, to confidently say that such an

inference would be drawn by consumers in a market which is so large and varied. Similarly, I give little or no weight to the results of the informal survey carried out on the applicant's behalf outside liquor stores in Melbourne. I agree with the examiner's comments here, in response, that there appeared to be some leading in the questioning of what was, after all, a very small sample of people buying alcohol.

It is significant that the evidence shows that the colour orange applied for has only been used as the background of the labels used on the applicant's champagne bottles. These labels have been used in conjunction with the words VEUVE CLICQUOT, together with devices such as arabesques, a five pointed star and an anchor, all in black. Nevertheless, it is also the case that the evidence shows the particular orange in question is heavily used as a corporate colour - but only in relation to champagne - and mainly on labels. However, I must also consider the declarations by the impressive array of wine experts marshalled by the applicant who all identify the colour with the applicant's champagne - albeit mainly in relation to a bottle label. Accordingly, I am prepared to accept that the colour, when used on labels, has a significant reputation attached to it for champagne and that, because of this reputation, it does so distinguish those goods .

Mr Shavin has said that, having regard to the usual tests, wines, sparkling wines and champagnes are goods of the same description. He has asked me to find that, whatever reputation the applicant had for the orange colour for champagne also attached itself to *all* wine - despite that, at the time of filing, no use had been made of it in relation to the wider description of goods. Certainly, the wording of subsection 41(6) can allow registration for a wider specification of goods than the goods on which a mark is actually used. This is because the subsection refers to a trade mark being taken to be capable of distinguishing the designated goods from those of other persons because of, "the extent to which the applicant has used the trade mark...it does distinguish the designated goods". Thus, use of a mark on some goods in a certain group *might* lead to it distinguishing a broader range of goods of the same type. I agree that a court would consider all wines to be goods of the same description, on the accepted tests. This means that, whatever I find here in relation to the goods that the colour mark distinguishes, then Mr Shavin's claim of a possible lack of success for infringement actions taken by the applicant would be unfounded.

However, I have taken note of Mr Shavin's submission that only 1% of Australian wine drinkers would know about the difference between champagnes and sparkling wines. I am also aware, from my own experience, that there has been a history, in Australia, of generic reference to some sparkling wines as "champagne". Accordingly, it could be the case that if, because of the extent of use of the applicant's mark on "champagnes", it distinguished those goods, then that situation could also be inferred, in Australia, for the wider term "sparkling wines". I am aware that the description "sparkling wine" has a specific meaning in relation to Registered Australian Traditional Expressions, as entered in Part B of the *Register of Protected Names*. Nevertheless, in this case, given the potential for deception or confusion which might ensue for the other 99% of Australian wine drinkers who might not be aware of a difference between champagne and sparkling wines (or perhaps even care), I am prepared to allow the inclusion of these words in the present specification.

However, I believe there is a greater gap between champagne and sparkling wine on one hand, and still wines on the other. Mr Shavin has claimed that there is no evidence to suggest that all Australian wine producers do *not* make both groups of wine. Nonetheless, there is equally no evidence before me to suggest that they all *do*. I think that, while the intentions of another champagne or sparkling wine producer might well be suspect, if they used the same colour orange on the labels of their own product, the same suspicions would not exist if the colour appeared on a bottle of still wine. Mr Shavin did say that the applicant was now moving to make still wines for the Australian market. However, there was no evidence of the applicant's reputation in that regard, as at the date of application, as envisaged by subsection 41(6). I believe that the single colour orange here is so devoid of any inherent adaptation to distinguish that the evidence would need to show significant general use on wine before I would be prepared to register the mark for those goods. Accordingly, I refuse to do so.

Conclusion

I have found that the mark is one which has no inherent adaptation to distinguish and so can only be considered for registration in terms of subsection 41(6). Accordingly, I have considered the evidence filed and found that, because of the extent to which the

applicant had used the mark, before the filing date and on champagne labels, it distinguished the goods champagne and sparkling wines, as at that date.

In consequence, I allow the applicant 28 days from the date of this decision to request an amendment of the statement of goods to read, "champagne; sparkling wines", and also an amendment of the description of the mark, as applied for, to read: "The trade mark consists of the colour orange, as represented on the application form, when used as the colour of a label"

If the applicant agrees to these conditions, I will then direct that the mark proceed to registration under the provisions of subsection 41(6). Should such agreement not be given, I will then issue my final decision in the matter refusing registration. Such a decision would then be subject to appeal in the appropriate forum.

Ian Forno
Hearing Officer

31 March 1999