



TRADE MARKS ACT 1995

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

Re: Application number 708520 in the name of Deutsche Telekom AG for the trade mark **Deutsche Telekom** for goods and services in classes 9, 16, 36, 37, 38, 41 and 42.

Background

Trade mark application number 708520 was filed on 15 May 1996, with a Convention claim of 20 February 1996 in Germany, by Deutsche Telekom AG of Germany. The trade mark consists of the words **Deutsche Telekom**. Following amendments to the specification, the applicant sought registration of the mark in respect of the following goods and services:

- Class 9 Electric, electrical, optical, measuring, signalling, controlling or teaching apparatus and instruments (as far as included in class 9); apparatus for recording, transmission, processing and reproduction of sound, images and data, machine run data carriers; automatic vending machines and mechanism for coin operated apparatus; data processing equipment and computers.
- Class 16 Printed matter; instruction and teaching material (except apparatus); stationery (except furniture).
- Class 36 Financial services; real estate services.
- Class 37 Services for construction, maintenance, repair and installation of telecommunication equipment, including networks, apparatus and instruments, computer networks, computers, computer hardware and software.
- Class 38 Telecommunication services; rental of equipment for telecommunication.
- Class 41 Instruction and education in the nature of classes and seminars in the areas of business, telecommunications and/or computers, including the distribution of course materials therefor; entertainment services involving the use of electronic and digital interactive media; organisation of sporting and cultural events; publication and issuing of printed matter.
- Class 42 Computer programming services; data base services, especially rental of access time to and operation of a data base; rental services relating to data processing equipment and computers; projecting and planning services relating to equipment for telecommunication.

An examiner of trade marks objected to the registration of this application under s.41 of the Act, inter alia, on the grounds that the mark is not capable of distinguishing the applicant's goods and services from those of other traders. This objection led to an exchange of correspondence between the attorney for the applicant, Mr John McCormack of Griffith Hack, and another examiner who took over the case. The second examiner upheld the objection under s.41 in the face of submissions from the attorney and the argument was pursued through six examiner's reports and letters in reply from the attorney. The attorney also submitted evidence of use, including a declaration by Anne Christopher, together with exhibits. Ms Christopher attested to her awareness of the reputation of the mark in this country and to numerous media references to the words in the mark in the Australian media.

Following consideration of all of this, the examiner maintained his stance, his final objection being that the words **Deutsche Telekom** were devoid of any inherent capacity to distinguish the applicant's goods and services. This was, he said, because any trader wishing to indicate that their telecommunications goods and services were provided to or from Germany should be entitled to use those words to do so. He said that the mark could only proceed to acceptance on the basis of evidence which satisfied the provisions of subsection 41(6).

The applicant requested a hearing in the matter and it came before me, as the Registrar's delegate, in Melbourne on 7 June 2000. Mr McCormack of Griffith Hack attended on behalf of the applicant.

Submissions

Mr McCormack argued that the mark, despite being the name of an applicant and also descriptive of its goods and services, could function as a trade mark. He referred for support in this submission to D.R. Shanahan's book, *Australian Law of Trade Marks and Passing Off* (Second Edition) and the cases listed there at p.417, and also the *Trade Marks Office Draft Manual of Practice and Procedure*. He said that the German words in this mark were inherently adapted to distinguish because they were, in the examiner's words, "...marginally more adapted to distinguish than (the English words) German Telekom". In any case, said Mr McCormack, the present mark denoted the trade source or origin of the applicant's goods and services. He further said that rights could be obtained in descriptive words if the reputation in the trade name is well established, as was the case here - relying for support

upon the NSW Supreme Court case *Select Personnel Pty Ltd v Morgan and Banks Pty Ltd* (1988) 12 IPR 167 at 170.

Mr McCormack argued that the registration of the present trade mark would only confer rights on the applicant in the specific combination applied for and that other variations of the words in the mark would still be free for other traders' descriptive use. He said that the applicant had sole rights in its name and that it would therefore not be gaining any more rights than it already had. He said that any other party using the exact combination applied for here would only do so with improper motives, including taking advantage of the opponent's reputation. This was particularly so given the Germanic spelling in the mark, when the English equivalent was available for normal use. This exact combination, he said, was sufficient to qualify the mark for registration under subsection 41(5). He said that the test for capability of distinguishing could be found in the *Clark Equipment Co v Registrar of Trade Marks*, 111 CLR 511 (the *Michigan* case).

The attorney argued that the examiner had not provided any support for his position that the words in the mark were the normal words for use in describing goods or services related to telecommunications in Germany. Such opinion, he said, should be supported by factual documentation - *American Screw Co's App'n* (1959) RPC 344 (the *Torq-Set* case). He said that the examiner had conceded that the applicant enjoyed a wide media profile in Australia in respect of the present mark, and he cited a number of cases which he said supported the proposition that such exposure and reputation in a name is sufficient to obtain rights in a mark. These cases included: *Seven Up Co v O.T. Ltd* (1947) 75 CLR 203, *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd.* (1979) RPC 409 and *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 31 IPR 375. He said that, in the latter case, the services in question were offered by a local representative for consumption overseas. This, he said, was the situation in the present instance, where the applicant's German telecommunication goods and services were offered in Australia by the "Global One" alliance.

At this point, he provided me with printed material from the applicant's Internet website which, he said, was evidence of the scope of its activities and resultant reputation. He said that the judgment in *ConAgra Inc v McCain Foods (Aust) Pty Ltd* 23 IPR 193 provided support for the proposition that a considerable overseas reputation was sufficient to establish

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Australian rights in a trade mark and that this would be sufficient to exclude other traders from using the specific combination for which registration had been sought here.

In closing, Mr McCormack pointed to the decision in *Bundaberg Distilling Co Ltd* (1945) 15 AOJP 2427, where the name "Bundaberg" was registered in respect of rum, following the lodgment of evidence of the use of the mark, even though that name was a geographical location from where rum was obtained. He said that the present instance was on all fours with that case because the evidence filed showing the reputation of the word combination **Deutsche Telekom** was sufficient to overcome any geographical objections.

Analysis

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.

This section of the Act has been judicially considered by Justice Branson in *Blount Inc v Registrar of Trade Marks* (1998) 40 IPR 498 (the *Oregon* case). 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.

Additionally, in the judgments of French and Tamberlin JJ in *Registrar of Trade Marks v Woolworths Ltd* (1999) 45 IPR 411 (the *Woolworths Metro* case) it was confirmed that a presumption of registrability underlies the policy of the new law. This principle, in particular, guides examiners of trade marks in determining whether or not to raise a s.41 ground of rejection.

The situation in the present instance is that the examiner has looked at the mark and decided that, because the German words **Deutsche Telekom** translated into English are **German Telecom**, then the mark is devoid of any inherent adaptation to distinguish because it directly describes telecommunication goods or services provided to and/or from Germany. Mr McCormack has said that such an objection is invalid because the examiner has not pointed to any factual material to support his contention. I cannot agree with the attorney in relation to this point. I believe that the meaning of the two words in the mark are clear, even to a non German speaker. This is because the word "Deutsche" would be widely understood, in this context, as the adjectival or possessive form of the word "German" in that language, while the word "Telekom" is as obvious an abbreviation of the German "Telekommunikation" as is the word "Telecom" an accepted shortening of its English equivalent "Telecommunication". I think that this case can be distinguished from the *Torq-Set* case, supra, because the appeal judge in that case said that the reason that he differed from the Registrar's finding that the mark applied for would have a direct reference to the character or quality of the goods was that he could not find sufficient material upon which the Registrar had based his decision. However, here, I believe that the meaning in the mark is obvious to both German and English speakers and such a conclusion is confirmed by an ordinary interpretation of the German language and dictionaries.

The explanatory notes to the *Trade Marks Act 1995* expand on the meaning of the term "inherently adapted to distinguish". They say, *inter alia*:

Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

- (a) the kind, quality, quantity, intended purpose, value, **geographic origin**, or some other characteristic, of goods or services; or
- (b) the time of production of goods or of the rendering of services. (my emphasis)

As Mr McCormack has rightly pointed out, whether a trade mark is inherently adapted to distinguish depends on whether other traders are likely to want to use the word in the normal course of business. As he said, the test is set down by Justice Kitto in the *Michigan* case, *supra*. In that case, the relevant paragraph starts 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* (1913) 30 RPC 660, 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.

His Honour then considers geographic words and continues on p.515:

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 Ltd's App'n* (1954) 71 RPC 150 (HL), but surely not, when Lord Parker's exposition of the subject is borne in mind.

I am of the opinion that, notwithstanding any State awarded monopoly which might exist for the words **Deutsche Telekom** in Germany, no such advantage exists in Australia for the applicant's mark, except perhaps under the common law, and this is not the forum to determine such a claim. It seems to me that there is no more apt description of German telecommunications goods or services than is afforded by the present mark and any other German supplier of such goods and services should be able to use the phrase. Accordingly, I find that the mark is devoid of any adaptation to distinguish.

Having found that the subject trade mark **Deutsche Telekom** 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 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.

In order for the subject trade mark to succeed under this subsection, I must be satisfied that, as at the date of filing, those words did in fact, distinguish the designated goods and services from those of other persons. Here, the applicant has filed a raft of evidence to support its case. There is, firstly, the Christopher declaration and exhibits. Ms Christopher says that she commissioned research into the references to the words **Deutsche Telekom** in sections of the Australian print media between November 1994 and 1998. She attaches copies of press reports which do indicate that those words were mentioned hundreds of times in the publications over a four year period. There is also the printed material from the applicant's Internet website which was presented to me at the hearing.

I have taken considerable time to go through this information. I must note from the start that, I believe that the overwhelming majority of references to the words **Deutsche Telekom** in all of the material are to the applicant company's name and do not constitute use as a trade mark. Additionally, many of the references to those words are concerned with the applicant's ventures overseas; the performance of the company in relation to similar telecommunication companies; its float and sell-off as a former state owned utility and a comparison, in this context, with Australia's Telstra; and its performance on various overseas stock markets. There are some references, in the evidence, to sporting events such as the

Tour de France, and to various teams or sportspersons sponsored by the applicant. However, these all appear to have been in Europe and I can find no mention of Australia at all in such a context.

There is, throughout the website evidence filed during examination, constant reference to "Global One", the international telecommunications venture of which the applicant is a joint player - along with France Telecom and Sprint. The mentions of **Deutsche Telekom** there are merely in relation to it being one of the parties forming the alliance and are not, to my mind, use in the course of trade. Global One does appear to be a relatively recent player in the Australian telecommunications industry but those words do not comprise the mark which is being considered here. In any event, the evidence shows that Global One only began operating as an entity from early in 1996. The fact that Deutsche Telekom AG is a part owner of Global One does not mean that there has been use of the trade mark **Deutsche Telekom** in Australia sufficient to enable it to distinguish the designated goods or services as being those of the applicant on the local market.

Additionally, in the printed material relating to the applicant's website, the use shown of the words in the mark is, again, overwhelmingly as the name of the applicant and not trade mark use in relation to goods or services. Also, any reference to goods and services included in the information supplied is generally in respect of European use - particularly in Germany. There is no mention of Australia at all in the material, that I could find, and significantly, in a page marked "Points of Presence" in the Asia-Pacific region, no Australian city features amongst the listings of Singapore, New Delhi, Tokyo, Beijing and Hong Kong.

Given all of this, I think that the present case can be readily distinguished from the *Seven Up Co v O.T. Ltd*, *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd.*, *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* and *Bundaberg Distilling Co Ltd* cases, all supra, where the evidence of use and ensuing reputation was in the marks actually applied for - and was related to Australia. Similarly, in the *ConAgra Inc v McCain Foods (Aust) Pty Ltd*, supra, case, which dealt, inter alia, with reputation in relation to a passing off action, it was said, at p234, "...it is still necessary for a plaintiff to establish that his goods have the requisite reputation in the particular jurisdiction...". Given the evidence so far put forward, the use of the words **Deutsche Telekom**, as a trade mark in Australia, has not been sufficient, to my satisfaction, to establish that the mark does distinguish the subject goods and services.

Decision

I have found that the trade mark **Deutsche Telekom** is not, to any extent, inherently adapted to distinguish the designated goods and services. I have further decided that the evidence filed in an attempt to show that the mark does, in fact, distinguish the applicant's goods and services in Australia falls short of doing so. I therefore find that trade mark is incapable of distinguishing the designated goods or services from the goods or services of other persons.

Accordingly, I refuse to register the trade mark, the subject of this application.

Ian Forno
Hearing Officer

30 August 2000