



## TRADE MARKS ACT 1995

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

Re: Opposition by Leroy SA to registration of trade mark applications 722345 LEFROY VALLEY VINEYARDS and 745869 LEFROY VALLEY and DEVICE - both in Class 33 - in the name Regal Grange Pty Ltd.

#### **Background**

On 21 November 1996, Fonty's Pool Farm Pty Ltd ('Fonty's') of South Perth, Western Australia filed application 722345 in Class 33 to register the trade mark LEFROY VALLEY VINEYARDS in respect of the goods "alcoholic beverage – wine". This trade mark was assigned to Regal Grange Pty Ltd ('Regal') of Manjimup, Western Australia by assignment dated 12 September 1997.

On 8 October 1997, Regal filed application 745869 to register the trade mark appearing below in respect of the goods and services also appearing below:

Agricultural and horticultural products and grains; fresh fruit and vegetables; seeds including plant seeds; plants; vine plants; grapes (fresh).



Following examination, application 722345 was accepted for registration and advertised in the *Australian Official Journal of Trade Marks* on 23 July 1998. Similarly, application 745869 was accepted for registration and advertised in the *Australian Official Journal of Trade Marks* on 5 March 1998. Leroy S.A. (Leroy) of Mersault, France, by Notices of Opposition filed on 23 October 1998 and 3 June 1998 respectively, opposes registration of both applications.

The parties have filed and served their evidence in support and evidence in answer in relation to both issues as prescribed by the Act and regulations.

Neither party has requested to be heard – or submitted written submission. Accordingly, the issues have come to me in terms of section 55 of the Act to decide on the written record as a delegate of the Registrar of Trade Marks.

The grounds stated in each Notice of Opposition are similar and I will discuss the issues together except where the differences between the opposed trade marks make it necessary.

### **The Evidence**

The evidence filed in relation to these matters can be summarised as follows:

Declarant	Declaration Known as:	Made	Exhibits
<b>722345(33):</b>	<i><b>Evidence in Support “A” Declarations</b></i>		
Peter James	James A	20 July 1999	PJ-1
Stephen Marcus Stern	Stern A	20 July 1999	SMS-1
Berek Robert Segan	Segan A	19 July 1999	BRS-1
Marcelle Bize-Leroy	Bise-Leroy A	30 June 1999	MB-L-1
	<i><b>Evidence in Answer</b></i>		
Bevan Blakers	Blakers	15 May 2000	BB1 – BB9
<b>758869(31):</b>	<i><b>Evidence in Support “B” Declarations</b></i>		
Peter James	James B	23 October 1998	PJ-1 – PJ-7
Stephen Marcus Stern	Stern B	2 October 1998	SMS-1 – SMS-24
Berek Robert Segan	Segan B	23 September 1998	BRS-1 – BRS-2
Marcelle Bize-Leroy	Bise-Leroy B	21 June 1998	

	<i>Evidence in Answer</i>		
Bevan Blakers	Blakers	15 May 2000	BB1 – BB9

The declarations in the Evidence in Support which I have designated the “A” declarations, bring into evidence copies of the “B” declarations as exhibits. Thus, the facts attested to in the “A” and “B” declarations are identical.

The evidence shows that Leroy is the successor in business to a firm called Maison Leroy which was established in 1868 in the village of Auxey-Duresses in the Burgundy region of France. Maison Leroy did business as a ‘negociant’: that is, a wine merchant who buys grapes or wines to be produced or sold under its own label. In 1919 Henri Leroy joined the family firm; and, in 1955 his daughter Marcelle Leroy took over the management of Maison Leroy and enforced a rigid policy of only buying the finest wines which, she says, continue to be marketed under and by reference to the trade mark LEROY.

In 1988, Maison Leroy purchased the holdings of another producer of burgundy, Domaine Noellat of Vosne-Romanée which, the Bise-Leroy declarations state, include holdings in some of the finest vineyards of Burgundy. Shortly after, Maison Leroy was renamed as Domain Leroy and shifted emphasis onto production of wines from its own vineyards and sold under the name of LEROY. Production of Domain Leroy wines now takes place in a state-of-the-art winery built in the village of Vosne-Romanée in 1989. As I understand it, Domain Leroy is the business owned By Leroy SA. Since 1989, Leroy SA has acquired holdings in vineyards throughout Burgundy. Madame Bise-Leroy states that her company has acquired more vineyard holdings and Leroy SA’s holdings now total more than 22 hectares of the finest vineyards in Burgundy including a total of more than 6 hectares in *Grand Cru* vineyards.

I might note that these acreages are not suggestive of large volumes of wine; however, this does, of course, also suggest that the rarity value of such wine might in itself lead to fame and value.

Madame Bise-Leroy affirms that wines bearing the LEROY trade mark have been exported by her company to Australia since at least 1966. Negotiants Australia Pty Ltd currently

distributes Leroy SA wines in Australia. Prior to 1985, Emerald Wine Pty Limited and Stone Wine Company distributed Leroy SA wines.

Peter James is the Sales Manager, Imported Wines, for Negotiants Pty Limited. He says that his company is the exclusive agent for Leroy SA wines in Australia and distributes approximately two hundred cases of these wines a year. These are both red and white Burgundies – the wines sell in the price range \$40 to \$950 dollars. Sales figures are given in this declaration for which confidentiality is claimed. Mr James' company runs a wine education and appreciation course through a series of tastings and dinners. Wines bearing the LEROY trade mark are amongst those publicised this way. The wines are also publicised by way of brochures and price lists circulated by the wine merchants that his company supplies.

Mr Segan was the owner of Emerald Wines Pty Limited. That company imported Leroy wines into Australia between the years 1964 and 1988. Mr Segan attests to the very high quality of Leroy wines and wines sold under the LEROY trade mark. He is a connoisseur of fine wines, whose interests led him into his business – he became familiar with the LEROY trade mark in 1959 or 1960. Subsequently, after he opened his business, Mr Segan publicised the LEROY trade mark by means of brochures, wine lists and wines tastings.

Mr Stern is a wine enthusiast and connoisseur who is a solicitor at the firm acting for Leroy. He acts in intellectual property matters for a number of oenological organizations. He has also, with his wife, established a commercial vineyard of his own. Mr Stern says he is in almost daily contact with those involved in the wine industry and keeps a library of a papers and publications on issues related to the wine industry and oenological issues.

Attached to Mr Sterns declaration is a great deal of material, which he says is representative, of the vast amount of material in his possession which features the LEROY trade mark.

I would conclude, on the basis of the evidence, that LEROY wines have a good reputation in Australia among connoisseurs of fine wines. The wines appear to me to be quite expensive, and likely to be bought by customers who are well educated in the marketplace and quite discerning. It is sold through wine merchants and restaurants where both the buyer and the seller are well versed in the range of wines available and have some familiarity with the trade marks.

Bevan Blakers is the chairman of the board of Regal Grange Pty Limited. Regal is an agricultural and marketing company formed in 1983. On 12 September 1997, Regal obtained assignments of the name LEFROY VALLEY VINEYARDS and the associated application for registration from Fonty's. Fonty's and other companies including CT Blakers Pty Ltd are family companies ('the family companies') owned by various members of the Blakers family which has been based in the south-east of Western Australia for three generations. The family companies have used 'names' incorporating the words LEFROY VALLEY in relation to agricultural produce since 1973. The goods on which the mark was first used were onions, this use spread to carrot seed in 1982 and by 1984 to the rest of the seed marketed by the family companies. This seed then included lettuces, cauliflowers, Chinese cabbages, melons, broccoli, sweetcorn and wine grapes. The family companies sell their goods bearing the trade marks LEFROY VALLEY Australia-wide by service centres in each State. The family companies also have two service centres in New Zealand and export goods under the trade marks to customers in North America, Europe and South America.

I think that it is accurate to describe the family companies as being developers, promoters and producers of seeds and new seed varieties. I would assess, from the variety of seeds attested to in the Blakers declaration and the sales figures supplied, that the family companies have been very successful and have been quite innovative.

The family companies had operated a vineyard and sold grapes under the name LEFROY VALLEY or LEFROY VALLEY PRODUCE since the early 1980's. In 1995 the Blakers family decided to expand their interests to include wine making and planted their first vineyard of 10 hectares. The tonnage of grapes from the vineyards has progressively increased and Mr Blakers believed that, at the time of making the declaration, the first distribution would be in the year 2000.

There is no evidence on the part of Leroy that they have extended on the LEROY trade mark. The wines appear to go onto the market bearing the trade marks LEROY or DOMAIN LEROY. Among the wines for which Leroy act as 'negociants' there appear to be none that contain English language reference to geographical features of any kind. Conversely, the use of the trade mark LEFROY VALLEY by the family companies appears to be uniform – that is, the word LEFROY is always used in conjunction with the word VALLEY.

## **Other**

I note that the word LEFROY is the name of a village in Tasmania, near Georgetown; the word LEFROY is also part of the name of the Lefroy Brook, a water-course near Manjimup in south-eastern Western Australia. These features were, I presume, named for people prominent in the histories of Western Australia and Tasmania (there was a Governor Lefroy in Tasmania and John Lefroy was Treasurer in Western Australia for a period in the eighteenth-hundreds). Further, the words LEFROY and LEROY are both surnames in Australia, albeit uncommon ones: the occurrences on the Trade Marks Office Search For Australian Surnames (SFAS) are LEFROY 89 and LEROY 91.

## **Reasons**

The opposition in relation to both trade marks is, in the Notices of Opposition, predicated on the opponent's perception of the similarity of the trade marks in question. These perceptions raise questions in terms of sections 43, 44 and 60 of the *Trade Marks Act 1995*. Leroy relies on its trade mark registration, brief details of which are:

Reg No:	736161
Priority date:	6 June 1997
Owner:	Leroy SA
Goods/Services:	Wines
Trade Mark:	LEROY

I will further note that the opponent relied on section 58 of the Act which provides a ground for opposition based on the ownership of the trade mark. I will deal with this issue briefly as the trade marks are obviously non-identical. In *Carnival Cruise Lines Inc. v Sitmar Cruises Limited* (1994) AIPC 91-049; (1994) 120 ALR 495, Gummow J, referring to *The Shell Company of Australia Limited v Rohm and Haas Company* (1949) 78 CLR 601, said:

... it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice.

The 'proprietorship' to which Gummow J referred is a term used under the *Trade Marks Act 1955* which is equivalent to the term 'ownership' used under the current Act. I therefore find that, in terms of section 55 of the Act, Leroy has not established this ground of opposition.

## **Section 43**

Section 43 of the Act provides:

**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.

It is important to note that the connotation on which Leroy should rely in their opposition must arise through a connotation in the trade marks as applied for, not through a comparison of the trade marks to the LEROY trade mark. In *T.G.I. Friday's Australia Pty Ltd v TGI Friday's Inc* [2000] FCA 720, Wilcox, Kiefel & Emmett JJ observed:

The case on deception and confusion sought to be made by Big Country and Friday's Australia in the present proceedings is one that falls outside the reasons specified in those sections. It does not depend upon some connotation in the registered mark, but upon its similarity to a name used by Big Country and others. So the alleged deception or confusion is not for a reason covered by section 43.

Leroy has not shown in its evidence that the words LEFROY or LEFROY VALLEY or the device contained in one of the opposed trade marks has some connotation contained in them. I note that the word LEFROY is known to a number of Australians as the name of a small village in North Eastern Tasmania. It is on the edge of the Pipers River wine-producing region but the village Lefroy is more known for its apple and strawberry farms – not for seeds or for grapes or wine.

Further, the fact that the word LEFROY in both opposed trade marks is qualified by the word VALLEY makes it likely that the words would be viewed by most people as a unity and hence not as designating a person or feature called LEFROY but a valley called the LEFROY VALLEY. There is apparently no such place. It would appear that the trade mark LEFROY VALLEY has been coined by reference to the LEFROY BROOK, near Manjimup in Western Australia where Grange has (or the family companies have) a base of operations. If there is a locality in that area called LEFROY VALLEY, it does not appear in Australian gazetteers. Thus, while there is a possibility that the word LEFROY, *solus*, might confuse or deceive in relation to the goods on 745869, "Agricultural and horticultural products and grains; fresh fruit and vegetables," because of the apple and strawberry farms of LEFROY in Tasmania, I think that the words LEFROY VALLEY do not. However, I would observe that I do not believe that, had the application been for the word LEFROY, *solus*, the ground would have been made out as I do not consider that most ordinary Australians are aware of the status of Lefroy as a apple or strawberry producing area; I could not therefore be satisfied that the use

of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

I therefore find that Leroy has not established this ground of opposition.

#### **Section 44**

Section 44 of the Act provides:

##### **Identical etc. trade marks**

**44.(1)** Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of goods (*applicant's goods*) must be rejected if:

- (a) the applicant's trade mark is substantially identical with, or deceptively similar to:
  - (i) a trade mark registered by another person in respect of similar goods or closely related services; or
  - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
- (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

Note 1: For *deceptively similar* see section 10.

Note 2: For *similar goods* see subsection 14(1).

Note 3: For *priority date* see section 12.

**(2)** Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of services (*applicant's services*) must be rejected if:

- (a) it is substantially identical with, or deceptively similar to:
  - (i) a trade mark registered by another person in respect of similar services or closely related goods; or
  - (ii) a trade mark whose registration in respect of similar services or closely related goods is being sought by another person; and
- (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's services is not earlier than the priority date for the registration of the other trade mark in respect of the similar services or closely related goods.

Note 1: For *deceptively similar* see section 10.

Note 2: For *similar services* see subsection 14(2).

Note 3: For *priority date* see section 12.

**(3)** If the Registrar in either case is satisfied:

- (a) that there has been honest concurrent use of the 2 trade marks; or
- (b) that, because of other circumstances, it is proper to do so;

the Registrar may accept the application for the registration of the applicant's trade mark subject to any conditions or limitations that the Registrar thinks fit to impose. If the applicant's trade mark has been used only in a particular area, the limitations may include that the use of the trade mark is to be restricted to that particular area.

Note: For *limitations* see section 6.

(4) If the Registrar in either case is satisfied that the applicant, or the applicant and the predecessor in title of the applicant, have continuously used the applicant's trade mark for a period:

(a) beginning before the priority date for the registration of the other trade mark in respect of:

- (i) the similar goods or closely related services; or
- (ii) the similar services or closely related goods; and

(b) ending on the priority date for the registration of the applicant's trade mark; the Registrar may not reject the application because of the existence of the other trade mark.

Note 1: An authorised use of the trade mark by a person is taken to be a use of the trade mark by the owner of the trade mark (see subsection 7(3)).

Note 2: For *predecessor in title* see section 6.

Note 3: For *priority date* see section 12.

In regard to the considerations above, the priority date of the Leroy registration is earlier than that of application 745869. Having above decided that the trade marks are not substantially identical, what remains for me to decide is whether in relation to registration 736161 and application 745869 the trade marks are deceptively similar and whether the goods of 745869 are similar goods to those of the registration on which Leroy relies. French J in *Registrar Of Trade Marks v Woolworths* [1999] FCA 1020 observed that:

The characterisation of the relationship between services and goods in this way is evaluative. The logic of subs 44(2) suggests that the determination whether goods are closely related to the services in question is logically antecedent to the determination whether the trade mark in respect of the services is deceptively similar to that in respect of the goods.

In relation to the assessment of the question here, the order in which the questions must be assessed remains the same since the assessment of the similarity of the trade marks is within the context of any perceived nexus between the goods of the respective parties.

### ***The Goods***

The term 'similar goods' is defined by section 14 of the Act:

#### ***14 Definition of similar goods and similar services***

- (1) For the purposes of this Act, goods are *similar* to other goods:
  - (a) if they are the same as the other goods; or
  - (b) if they are of the same description as that of the other goods.
- (2) For the purposes of this Act, services are *similar* to other services:
  - (a) if they are the same as the other services; or
  - (b) if they are of the same description as that of the other services.

‘Goods of the same description’ is an expression which has been discussed extensively by the Courts – most recently in *McCormick & Company Inc v McCormick* [2000] FCA 1335 by Kenny J where, at para 17, she said :

Whether the relevant goods are of the same description is essentially a question of fact.

The authorities establish that there are three principal factors to be considered in this regard. They are: (1) the nature of the goods, including their origin and characteristics; (2) the uses made of them, including their purpose; and (3) the trade channels through which the goods are bought and sold. As to the last-mentioned matter, it may be relevant to consider whether the goods being compared are produced by the same manufacturer or distributed through the same channels; whether they are sold in the same shops; whether they are sold to the same sort of customers; and whether those engaged in the manufacture and distribution of the goods are considered as belonging to the same trade: see *In Re Jellinek's Application* (1946) 63 RPC 59 at 70-72; *In Re John Crowther & Sons (Milnsbridge) Ltd's Application* (1948) 65 RPC 369 (“*Crowther's Application*”) at 372; *In Re Frank George Whiting's Application* (1952) 69 RPC 219 at 221; and *Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84 at 94. As the High Court stated in *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 (“*Southern Cross*”) at 606-607:

The fact that examination of the nature of the applicant's goods may, by itself, induce an observer to conclude that they are different in character from those of an opponent, and designed to serve different purposes, is by no means conclusive. Nor is the fact that the applicant's goods are not specified by the regulations as being within the same class of goods: see *In re The Australian Wine Importers Ltd* (1889) 41 Ch D 278, at p 291 and *Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84, at p 90 per Latham CJ. There may be many matters to be considered apart from the inherent character of the goods in respect of which the application is made and some indication of what matters are relevant to this inquiry was given by Romer J in *In re Jellinek's Application* (1946) 63 RPC 59. Romer J thought it necessary to look beyond the nature of the goods in question and to compare not only their respective uses but also to examine the trade channels through which the commodities in question were bought and sold. Shortly after the decision in *Jellinek's Case* ... the Assistant-Comptroller elaborated on the observations of Romer J in the following manner: ‘In arriving at a decision upon this issue the reported cases show that I have to take account of a number of factors, including in particular the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counters during the same seasons and to the same class or classes of customers, and whether by those engaged in their manufacture and distribution they are regarded as belonging to the same trade. In the case of *Jellinek's Application* ..., Romer J classified these various factors under three heads, viz., the nature of the goods, the uses thereof, and the trade channels through which they are bought and sold. No single consideration

is conclusive in itself, and it has further been emphasized that the classifications contained in the schedules to the Trade Marks Rules are not a decisive criterion as to whether or not two sets of goods are “of the same description”’: *In re an Application by John Crowther & Sons (Milnsbridge) Ltd* (1948) 65 RPC 369, at p 372. Much the same considerations are evident in the observation of Dixon J (as he then was) in *Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84 when he said: ‘What forms the same description of goods must be discovered from a consideration of the course of trade or business. One factor is the use to which the two sets of goods are put. Another is whether they are commonly dealt with in the same course of trade or business. In the present case, the goods are quite different, their uses are widely separated and they are not commonly sold in the same kinds of shops or departments’ (1945) 70 CLR, at p 94.

On the one hand, goods are not necessarily of the same description simply because they are sold for human consumption and in common trade channels: see, for example, *In Re J & J Colman Ltd’s Application* (1929) 46 RPC 126, where mustard and semolina were held not to be goods of the same description. See also *G Wood, Son & Co Ltd v McVitty & Co Pty Ltd* (1964) 34 AOJP 2601 and *In Re Chan Li Chai Medical Factory (HK) Ltd’s Application* (1990) 19 IPR 140 at 144. On the other hand, the expression “goods of the same description” is not construed restrictively and regard is paid to the commercial context in which the goods in question are bought and sold: see *Rowntree plc v Rollbits Pty Ltd* (1988) 10 IPR 539 at 546 and *Dinning v New Balance Athletic Shoe Inc* (1992) AIPC 38,719 at 38,725.

The closest nexus between the goods in question is ‘grapes’ on the one hand and ‘wines’ on the other. I have no evidence before me about the commercial context of the comparison in Australia and my personal knowledge of this area is limited. I would gather from the opponent’s evidence that it is common in France for ‘negociants’ to buy either grapes or wine from particular vineyards or regions and on-sell them under their own label or trade mark. The vineyard or locality that the grape or wine originates from is all-important and it would seem apparent that different ‘negociants’ would acquire grapes or wine from the same vineyard. However, I think that this peculiarity arises out of conditions that are restricted to France – I know that, for example, holdings in French vineyards tend to be fragmented into small parcels of land by inheritance.

The context in Australia tends to be different – while many vineyards do not produce wine, they are contracted to a wine producer to whom they sell their grapes. The grapes are processed by the wine producer and sold under the wine-maker’s trade mark typically without reference to the vineyard where the grapes originated. Having regard to the tests discussed in *McCormick*, above, I do not believe that, in the Australian context, grapes and wines are goods of the same description.

***Deceptive Similarity***

In *Australian Woollen Mills v. F.S. Walton & Co. Ltd* (1937) 58 CLR 641 at 658, in a joint judgement, Dixon and McTiernan JJ said of deceptive similarity:

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.

Also, other matters which have to be taken into consideration were stated by Lord Parker (then Parker J) in *Re Application by the Pianotist Co Ltd* (1906) 1A IPR 379 at 380; 23 RPC 774 at 777), where he said:

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion -- that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods -- then you may refuse the registration, or, rather, you must refuse the registration in that case.

I think that the logo trade mark, the subject of application 745869, is not deceptively similar to the trade mark LEROY. The context of the comparison of these trade marks is that of what may be termed loosely the wine industry at the broadest scope of that term. Those in the wine industry and some aficionados or connoisseurs who consume their commodities tend to be quite discriminating – those in the wine industry have educated this market very well. In relation to these people, the market is evolved and sophisticated. But, I think that the bulk of wine purchasers are less discriminating – these purchasers are more inclined to be driven by factors such as affordability, familiarity, personal recommendation and so on.

Set against this background, in consideration of the trade marks, the device component of the Grange trade mark is very prominent. Setting aside a discussion of the similarity or dissimilarity of the words LEROY and LEFROY VALLEY, which I will discuss under the heading **Section 60**, I think that the device goes far in distinguishing between these trade marks. When the dissimilarities between the word portions of the trade mark are also taken into account, the differences are, *a fortiori*, greater.

Accordingly, I am not satisfied, in terms of *Registrar of Trade Marks v Woolworths* [1999] FCA 1020, that the opposed trade mark will confuse or deceive. Accordingly, I find that Leroy has not made out this ground of opposition.

## **Section 60**

Section 60 of the Act provides:

### **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.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

### ***Reputation***

There is no doubt that the Leroy wines and trade mark have a good reputation in Australia. I would note, however, that this reputation appears, from the evidence, to be confined to the connoisseurs and cognoscenti. There are, for example, no general newspaper articles in the evidence; the declarations are from those who deal in, or have dealt with, the LEROY trade marked wines, or from a wine industry expert. Such articles that do discuss the Leroy wines are confined to specialist wine industry publications. I am therefore sceptical that the trade mark is well known to the entire wine-buying public. I have previously noted that the market at what could be termed the upper end appears, from the evidence and my own observations, to be quite sophisticated and discerning. I note that, as an example of this discrimination, there is a registration of the trade mark DUVAL-LEROY under registration 704353 for 'champagne wines'. This registration is in the name of a proprietor other than Leroy and, if the goods are present in the market place, they apparently co-exist with the goods sold under LEROY trade mark without confusion.

The issue for me to consider, initially, is whether these trade marks are deceptively similar. Under this section of the Act, I am discussing the trade marks LEROY and LEFROY VALLEY. The remarks that I make in relation to the similarities of these trade marks apply also to the discussion, above, of the Grange trade mark 745869 and the occurrence of the words LEFROY VALLEY within the logo.

As I observed, above, in my discussion of the issues in terms of section 43 of the Act, I believe that it is most likely that the words LEFROY VALLEY will be viewed by most people as a literal reference to a geographical location. I find some support for this view in the observations of the Full Court in *C A Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539 [Hill of Grace] where Ryan, Branson and Lehane JJ observed:

There is considerable force in the appellants' submissions about the general character of the Hill of Grace mark. It is quite true, in our view, that, as a matter of ordinary usage, expressions such as "Hill of ...", "Sea of ...", "River of ..." or "Mountain of ..." are almost invariably used metaphorically. On the other hand, the multitude of wine names including topographical references, to which the primary judge referred, were "... Hill", "... Ridge", "... River" and so on, all, in ordinary usage, referring to an actual topographical feature. That may well be why "Hill of ..." is rare indeed among wines, and "River of ...", "Sea of ..." etc apparently unknown. We have quoted Mr Lyons' opening in which he cited some particularly good examples of the metaphorical usage. Others might be mentioned, some considerably less attractive: "River of Blood"; "River of Gold". The "Sea of Tranquillity", as we understand it, describes an area of the moon; but certainly not a real sea. On the other hand, the ocean to the east of Australia is the Pacific Ocean, not the Ocean of Peace. It may have been called "Pacific" because of a first impression of its character, but "Ocean of Peace" and "Pacific Ocean" convey entirely different notions. It is not easy to think of exceptions to what appears to be a rule. "Mount of Olives" may be one.

By this analysis, the words LEFROY VALLEY are likely to be viewed as being literal, rather than metaphorical, and as being a reference to an actual place. The trade mark is likely to be remembered in the minds of the public and recalled or recognised in the market as such. The trade mark LEROY remains conceptually distinct from that idea, it is more likely, I believe, to be seen as a surname or, possibly, as somehow being derived from the French words 'Le Roi'. This way in which these trade marks function and what they are likely to denote to Australians must, in the comparison of the trade marks, be assessed in terms of the tests in *Australian Woollen Mills*, above. The market is one of vigneron, restaurants, connoisseurs, wine bars and bottle shops and wine merchants and the more general wine-buying public. The market thus includes the expert and the inexpert, the discerning and the indiscriminate.

In *Woolworths*, above, French J said at para 50:

In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 594-5, which concerned the 1905 Act, Kitto J set out a number of propositions which have frequently been quoted and applied to the 1955 Act. The essential elements of those propositions continue to apply to the issue of deceptive similarity under the 1995 Act. Applied also to service marks and absent the imposition of an onus upon the applicant they may be restated as follows:

(i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.

(ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.

It may be interpolated that this is another way of expressing the proposition that the trade mark is likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

(iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.

(iv) The rights of the parties are to be determined as at the date of the application.

(v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

In respect of the last proposition, Mason J observed in *Berlei Hestia Industries Ltd v The Bali Company Inc* (1973) 129 CLR 353 at 362:

*"...the question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past, but by reference to the use to which it can properly put the mark. The issue is whether that use would give rise to a real danger of confusion."*

French J also, at para 45, said:

The position now is that the Registrar and the Court at first instance would need to be satisfied that there was a reasonable likelihood of deception or confusion before denying acceptance of the application for registration.

These remarks were made in relation to section 44 of the Act and might, via the operation of Kenny J's ruling in relation to section 60 in *McCormick*, above, be viewed as being confined to headings of opposition under Part 4, Division 2 of the Act. However, I note that section 55 of the Act provides:

**55 Decision**

Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

- (a) to refuse to register the trade mark; or
- (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application; having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For *limitations* see section 6.

I think that the legislative direction "having regard to the extent ..." is consistent with the above direction of French J in *Woolworths*.

The wine market is one which is quite crowded and thus is one in which the public is used to choosing from amongst a great many labels. In view of the different significations of the trade marks LEROY and LEFROY VALLEY, I am not satisfied that there is a reasonable likelihood of deception and confusion. I am satisfied on the basis of the evidence before me that, at the higher end of the market, wine connoisseurs are most unlikely to confuse the trade marks or see any connection between them. That is not to say that a similarity between the trade marks might not be noted, rather that the similarity is unlikely to confuse or deceive because the ideas engendered by the trade marks are so very different. At the lower end of the market there is, in a general sense, unlikely to be confusion or deception because the Leroy wines are largely not present. However, if Leroy were to put a more economical wine onto the market, the differences in the significations of the trade marks are such that I cannot be satisfied that the use of the applicant's trade marks would confuse or deceive.

Thus, Leroy has not made out its grounds in terms of section 60 of the Act.

**Decision**

Leroy has not established any of its grounds of opposition and I direct that the applications may, on payment of the appropriate fees, proceed to registration on the elapse of the period allowed for appeal from these decisions.

**Costs**

Neither party made submission as to costs and I make no award.

Ian Thompson  
Hearing Officer

5 February 2001