



TRADE MARKS ACT 1995

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

RE: Trade Mark Application Number 728456 in the name of NOTETRY LIMITED.

Background

On 24 February 1997, Notetry Limited (the applicant) filed an application to register a two-colour trade mark. A claim was made, on the application form, for a convention priority date of 3 October 1996 based on the United Kingdom filing of application number 2111790. The colours claimed were YELLOW and SILVER, and the goods listed in the application were in respect of "Apparatus for cleaning, polishing and shampooing floors and carpets; vacuum cleaners; carpet shampooers; floor polishers; parts and fittings for all the aforesaid goods" in class 7. The colours shown in the representation on the application form indicated the yellow to be a "canary" yellow whilst the silver appeared to be somewhat like pewter.

In his first report on the application, the examiner of trade marks raised a ground for rejection of the application under s.41 of the *Trade Marks Act 1995*. He said that the trade mark was not capable of distinguishing the applicant's goods from those of other traders because any trader would want to use the two colours on their own, similar, goods without improper motive. The applicant's attorney contested whether other traders would need to use the two colour mark, because he claimed that it was highly unusual. Evidence of use of the mark in Australia was also submitted. The declaration indicated use from early 1996 on vacuum cleaners. Some examples of the mark in use were also provided. The examiner maintained the ground for rejection. He commented that the use was for only two years and no indication had been shown of the manner of application of the mark to the goods. The applicant's attorney submitted evidence in greater detail including the unit cost. Another examiner, in the third report in reply to this material, maintained the ground for rejection. The

examiner indicated that the colour silver was common to the electrical goods trade and the mark had no inherent adaptation to distinguish the applicant's goods.

The applicant then requested a hearing and the matter came before me in Canberra on 18 September 1998. Mr. James Abel, of the Sydney office of Griffith Hack, Patent and Trade Mark Attorneys, represented the applicant. Following the hearing, some delay was caused by a need to clarify some of the issues involving the applicant's evidence. These issues are detailed in the **Discussion** section below.

The Evidence

The evidence of use submitted consisted of a statutory declaration of 17 October 1997 from Ross Cameron. Mr. Cameron is the Managing Director of Dyson Appliances (Aust.) Pty Limited, a distributor for the applicant. The declaration detailed the sales figures, in Australia, for vacuum cleaners bearing the two colour mark from May 1996 to August 1997. Advertising figures covering this period were also submitted. Two exhibits were attached. Exhibit 1 provided several sample invoices. The second exhibit showed two full colour advertising brochures, two photographs of the goods and several black and white photocopies of advertising material. A second declaration from Mr. Cameron was submitted after the hearing as a result of a letter from me concerning evidence of use. This declaration up-dated the sales and advertising figures to add the activity from September 1997 to October 1998.

Submissions

At the hearing, Mr. Abel challenged the comments from the examiners in the reports that "colour trade marks have little or no inherent adaptation to distinguish" the applicant's goods on the ground that no authority existed for such a statement. He submitted that silver is not a common colour for electrical goods. He said that he had conducted his own informal survey and could only agree with that statement in relation to electric kettles. Electrical goods, in his opinion, were more likely to be white, red, grey or black rather than silver from his observation. As the major items of interest for the applicant were vacuum cleaners, he claimed that the objection was not soundly based.

Mr Abel submitted that the trade mark had a capacity to distinguish the goods as being those of the applicant. This was so, he said, because it comprised an unusual combination of colours that was distinctive because of the way that they were applied to the goods with a striking impact on the eye. He emphasised that the sales figure of \$7.5m for goods with a unit price of around \$700, between May 1996 and August 1997, was a very substantial use of the mark. This use was continuing and, in fact, growing he added.

The declaration submitted after the hearing provided details of the evidence of use, for the period from September 1997 to October 1998, and indicated sales of the goods to the value of \$13.7m. and advertising expenditure of \$1.1m. for the trade mark.

Discussion

As the examiner had maintained that the trade mark was “not capable of distinguishing” the applicant’s goods from those of other traders, I must consider it under Section 41 of the Trade Marks Act 1995.

Sub-section 41(3) of the Act reads:

(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.

In deciding the question of the inherent adaptability of the trade mark to distinguish the designated goods from the goods of other traders, I must consider, in this instance, the capacity of a trade mark of two colours to do so. I note that the applicant is prepared to restrict the goods claimed in the specification to "vacuum cleaners; parts and fittings therefor". Mr. Abel argued that the two colours were capable of distinguishing the applicant's goods from those of other traders. He also challenged the authority, on which the examiners relied, when they claimed that two colours had little or no inherent adaptation to distinguish.

The expression "inherently adapted to distinguish", as found in s.41(3) above, has been discussed in *Blount Inc v. Registrar of Trade Marks* 40 IPR 498 (the Oregon case) by Branson J. Her Honour confirms that the expression is to be understood under s.41(3) of the Act in the same way as under s.26(2) of the Trade Marks Act 1955 with the words at 506:

The notion of a trade mark being inherently adapted to distinguish the designated goods was of primary significance under the 1955 Act. There is no reason to think that the phrase "inherently adapted to distinguish the designated goods from the goods of other persons" appearing in s.41(3) of the Act is not intended to be understood in the light of decisions under the 1955 Act, and comparable United Kingdom legislation which includes references to inherent adaptability.

Earlier in the decision, Justice Branson cites *Clark Equipment Co v. Registrar of Trade Marks* (1964) 111 CLR 511 (the Michigan case) as outlining the relevant test, by which the inherent adaptability of a trade mark to distinguish the goods as belonging to a particular trader, should be made. Justice Kitto sets out this test at 514 as follows:

... the question whether a mark is adapted to distinguish [is to] be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of the word and want to use it in connection with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

Although this test was framed in the context of a trade mark for a word, the principle involved applies to the inherent adaptability of any trade mark to distinguish the goods of one trader from the goods of another trader. So the question to be resolved in the present case is, "what is the likelihood that other persons, trading in vacuum cleaners or their parts and fittings, and being actuated by proper motives, will think of the colours silver and yellow and want to use them in connection with their goods".

Firstly, I must comment that I agree with Mr. Abel's contention that the colour silver is not a particularly common colour for the goods of interest. Certainly, it is no more common for vacuum cleaners than many other colours, and does not appear to have any functional advantage. Even for

the initial range of goods claimed, broadly covering apparatus for cleaning, polishing and shampooing, I could not find the colour silver to be significantly more common than other colours.

However, in looking through a department store or electrical goods store, it is apparent that vacuum cleaners manufactured in two colours are quite popular. Although I could not quote an exact figure for the number of different manufacturers, it appears to me to be quite a significant total. Taken together, I would conclude that there is a reasonably high likelihood that another trader would choose, without any improper motive, the colours YELLOW and SILVER or two colours extremely close, such as gold and grey for their similar goods.

In addition, another factor is in operation here. The two colour trade mark, for which the applicant has applied here, is not merely intended as a badge of origin of the goods but is used to colour the material of the goods themselves.

The number of trade marks in all possible forms (words, letters, numerals, devices, colours, sounds, shapes, sounds, scents or their combinations) is infinite. Even word marks alone represent an infinite set if you consider all invented and coined words - because it is always possible to "just add another letter" to produce further permutations. For two colour trade marks of the present type, however, the number of possible choices is limited. Unless the vacuum cleaners are made of transparent materials, the material forming the goods must have some chosen colour or colours. As I mentioned earlier, for the materials used in the manufacture of vacuum cleaners, those consisting of two colours, are quite common. The two colours, YELLOW and SILVER taken together, are quite pleasing to the eye and I can readily imagine another trader (being actuated only by proper motives) to think of the colours and wish to use them in colouring their similar goods, with or without some trade mark significance in mind.

This begs the question as to whether the purchasing public would recognise the two colours as operating as a trade mark, or as a signpost to source the goods. I do not believe that, in general, this would be so.

This being the case, I believe the level of inherent adaptability of these two colours to distinguish the applicant's goods from the goods of other traders is quite low.

Having decided that the mark does not qualify for registration under s.41(3), but that the mark does possess a limited inherent adaptation to distinguish the applicant's goods from the goods of other traders, I must next turn my attention to s.41(5), as per the summary at 504 and 505 of Justice Branson in *Blount* (supra).

Sub-section 41(5) of the Act reads:

(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.

The analysis required to be made under sub-paragraph 41(5)(a)(i) is, of course, identical to that to be made under s.41(3). As mentioned above, I believe that the YELLOW and SILVER colour mark has, inherently, a limited capacity to distinguish the goods as being those of the applicant. Another element at work here, discussed in the paragraph below, could also have been considered under s.41(3). I have chosen instead to discuss this issue in relation to sub-paragraph 41(5)(a)(ii), which deals with the use or intended use of the mark, because I believe that this is the more appropriate time.

A major factor in the average purchaser not recognising the two colours as a badge of origin, lies in the fact that the word mark DYSON is always used on the goods in conjunction with the colours. I believe that this word, rather than the colours of the material of which the goods are made, would be more readily understood by consumers as identifying the source of the goods. It is not uncommon for traders to use more than one trade mark on goods. Examples can readily be seen around us, such as HOLDEN and COMMODORE for motor vehicles, and SANITARIUM and WEETBIX for breakfast cereals. However, if one mark overwhelms the other, then it is more likely than not that the second mark will not be identified by the purchasing public as being a trade mark. This could occur where the "less recognisable" mark is descriptive of the goods or where it is linked to a function of the goods. In the present case, the colours YELLOW and SILVER, as applied for, are overwhelmed by the DYSON word mark because they are used to actually colour the applicant's goods.

If the colours operate as a trade mark, then they should distinguish the goods or services as being those belonging to a particular trader. If this were the case, then it would be expected that, in purchasing the goods, some reference would be made by the purchaser, to the goods by a reference to the colours YELLOW and SILVER. In the face of the DYSON word mark on the goods, I do not believe that this would occur. Even with substantial use of the combined marks over a much longer time period than is presently the case, I have some doubt that the applicant's goods would become distinguished by their colours over the word DYSON.

Evidence was submitted, both during examination and following the hearing, to support the extent to which the colours have the capability to distinguish the applicant's goods, apart from their inherent adaptability to distinguish. However, the fact that the two marks, the word DYSON and the colours YELLOW and SILVER, are used in conjunction on the goods, reduces the effectiveness of the evidence of use accruing to the colours YELLOW and SILVER alone. The evidence provided indicates that the conjunctive use of the marks began, in Australia, in May 1996. Considering samples that show the mark in use, I cannot accept that the general public would give great credit to the colours as sourcing the goods based on the evidence of use submitted for such a period of time. Given that the word mark DYSON appears on the goods, I believe that it would take many years of substantial use, possibly with the need of assistance from an advertising campaign to target the

colours in some way, before the general public became fully aware of the applicant's intentions in using those specific colours.

I do not accept that in the present circumstances, the evidence of use submitted, in terms of s.41(5)(a)(ii), provides a combination with sufficient effect when allied with the inherent adaptability of the mark to distinguish the goods of the applicant from those of other traders, in terms of s.41(5)(a)(i), to allow me to accept this trade mark.

The final leg of s.41(5)(a) involves a consideration of "other circumstances" as detailed in sub-paragraph (iii) above. As no other material was presented to me for consideration and there is no other relevant information recorded on the file, I find that this sub-paragraph is of no assistance to the application.

Conclusion

From the foregoing, I have found that the two colour, YELLOW and SILVER trade mark has only a limited inherent adaptability to distinguish the applicant's goods from those of other traders. I have also found that the evidence of use submitted is not sufficient to enable me to apply of the provisions of sub-section 41(5). Therefore, subject to an appeal from this decision, I refuse this application for registration.

Don Nancarrow
Acting Hearing Officer
23 March 1999.