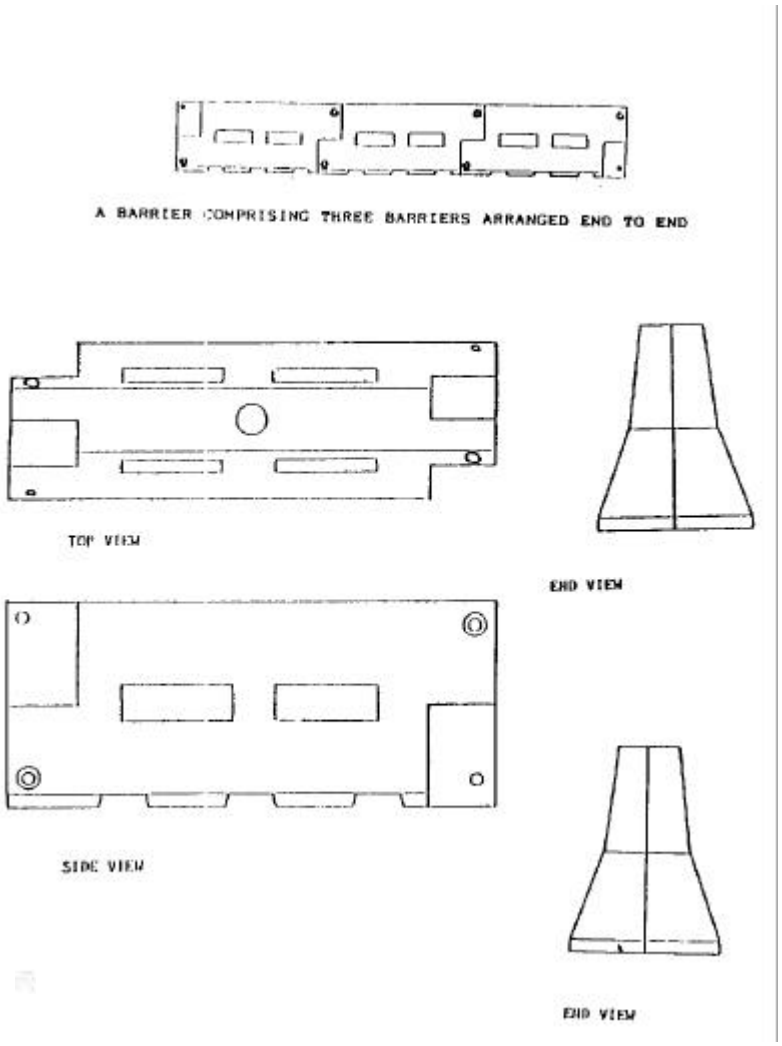
TRADE MARKS ACT 1995

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

Re: Trade mark application number 728978(19) - TRAFFIC BARRIER- in the name of ROBIN NOEL ADCOCK.

Application

The trade mark consists of the shape of a traffic barrier as shown:



An examiner of trade marks has objected to that application in terms of s 41(2) of the *Trade Marks Act 1995* ("the act"). The examiner has said that the trade mark is not capable of

distinguishing the applicant's goods from those of other traders because it had little inherent adaptation for that purpose.

Such a finding goes to the heart of s 41, which controls the process by which the registrar is to decide if a mark is capable of distinguishing. The examiner's conclusion was that the mark was so lacking in inherent adaptation to the task of distinguishing one trader's goods from those of others that the only conclusion open to him was that the mark was not capable of distinguishing. Thus, in terms of s 41(2), if the examiner is correct then the application should be rejected.

The examiner also noted that the identity of the trade mark was not fully disclosed by the application as endorsed above.

The applicant requested a hearing on the matter. I conducted the hearing under delegation from the Registrar of Trade Marks and the applicant was represented by Mr Ian Tannahill, patent attorney, who appeared in person.

Shape marks in general

I have already set down the examiner's conclusion. The examiner's approach to the legislative framework is in line with that in the OREGON case (*Blount v Registrar of Trade Marks, 40 IPR 498*). However, the specifics of s 41 in relation to shape marks have been the subject of a paper produced by the Trade Marks Office and presented in August last year at the 13th annual conference of IPSANZ, the Intellectual Property Society of Australia and New Zealand, Inc.

At the hearing of this matter, Mr Tannahill referred to the paper, and I think some of it should be set down now.

I now quote from the paper, starting at page 4:

> Justice Lehane of the Federal Court issued his final decision in *Philips v Remington* - [1999] FCA 816 - on 18 June 1999 following on from an interlocutory decision handed down on 14 October 1997. The case concerned possible infringement of a registered design and two registered trade marks but also included the first judicial consideration of the provisions for registration of shape trade marks. Justice Lehane's decision deals, amongst other things, with the meaning of the word 'shape' in the

> definition of a sign and touches on the application of section 41 in respect of a functional shape trade mark.

In the interest of brevity I will leave aside the paper's reference to a recent decision in this office, *Application by Chocolate Guylian NV*, the CHOCOLATE SHELL SHAPE decision, (publication pending). The paper continues, at page 6:

> In contrast to the UK *Trade Marks Act 1994*, there is no reference to 'shape of the goods' in the definition of a sign, or elsewhere, in the *Trade Marks Act 1995*. In their cross-claim in this action, Remington Products Australia Pty Ltd, argued that the inclusion of the word 'shape' in the definition of a sign did not overturn the well established principle that a trade mark is always something distinct from the goods in relation to which it is used and was not therefore intended to include the shape of the goods themselves.
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> Justice Lehane concluded otherwise, that is he concluded the word 'shape' in the definition of a sign includes the shape of the goods, or part of them, in relation to which a sign of that kind is used. To reach this conclusion he reviewed the legislative history of the provision for shape marks in the 1995 Act, starting with the recommendations in the report of the Working Party.
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> Justice Lehane also went on to consider the specific grounds for rejection of marks which consist of the shape of goods that were included in section 39 of the short lived *Trade Marks Act 1994* (Cth) which was repealed before it came into effect.
>
> Under this section a trade mark was to be rejected if it consisted wholly or principally of the shape of the goods and (a) the shape results from the nature of the goods themselves or (b) the shape of the goods is necessary to achieve a technical result. Rejection on these grounds was to be mandatory just as it is under section 3(2) of the UK *Trade Marks Act 1994.*
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> These provisions were not carried through into the *Trade Marks Act 1995*, and Justice Lehane concluded, in the context of his consideration of a mark depicting functional features of an article, that the 1995 Act "deals with the problem in a rather different way, particularly, perhaps, in s 41(6)". This allows that rather than outright rejection of those shapes totally lacking in inherent capacity to distinguish, which would have been rejected under section 39 of the repealed Act, there is still a possibility that they might proceed if the applicant establishes that
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> "*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"*
>
> In addition to the two trade marks depicting the face plate of a triple-headed rotary shaving device, which were the subject of the infringement action, Philips has a pending application for a three dimensional shape of the triple headed shaving unit. Justice Lehane was not prepared to intervene, in response to Remington's cross claim, in the processing of that application observing that under the 1995 Act, the assessment under s 41(6) is entrusted, in the first instance, to the Registrar. Now that the court matter has been decided, this application is once again under examination.

Philips and Remington have been engaged in litigation in other jurisdictions, particularly in England and Canada. In England Justice Jacob's judgment in *Philips Electronics N.V. v Remington Consumer Products*, (supra), provides some valuable observations relevant to the ability of the shape of goods to serve a trade mark function. However, it should be noted that there are a number of significant differences between the Australian and UK legislation. Section 3 of the UK *Trade Marks Act 1994* contains specific prohibitions to the registration of signs consisting exclusively of "the shape which results from the nature of the goods themselves"; the shape of goods which is necessary to obtain a technical result"; and "the shape which gives substantial value to the goods". On the other hand the 1995 Act is silent on the issue of what three dimensional signs cannot be registered as trade marks and rolls all relevant considerations into the broad requirement common to all signs - the need to be capable of distinguishing as provided for by s41.

Another major difference highlighted by Justice Lehane which should be borne in mind when considering decisions based on the UK *Trade Marks Act 1994* is the different ways in which the Australian and UK legislation deal with the evidentiary onus in those cases where the signs in question are totally lacking in inherent capacity to distinguish. In the UK there is a requirement for evidence to show that through use a sign has actually acquired a "distinctive character" as a result of the use made of it, whereas in Australia, the matter is arguably a somewhat lesser proposition being one entirely of fact based on whether the applicant has established that through the extent of use prior to filing that it "does distinguish the designated goods or services as being those of the applicant".

With this in mind the following observations from Justice Jacob provide a useful backdrop to considerations under the 1995 Act. These include his opinions that:

- a 'sign' *could be anything which could convey information*, as long as it is capable of being represented graphically; but

- a sign which cannot denote trade origin cannot be capable of distinguishing the goods of one trader;

- a picture of an article is equivalent to a description of it and just as a common descriptive word is incapable of distinguishing the goods it describes, so a picture of a product which other traders might legitimately wish to manufacture is incapable of distinguishing;

- a mark which consists solely of the shape of a three-dimensional functional object will convey the message "Here is a particular type of goods" rather than "Here are a particular trader's goods"; and

- when a mark of this kind is never trusted on its own to identify trade source but is always used with a house mark [Philishave] this is a matter plainly relevant in considering acquired distinctiveness - it is at best a "limping trade mark", needing the crutch of a word mark [Philishave] in use.

Justice Jacob also referred to a most useful test to establish whether a sign is to any extent adapted to distinguish. He originally applied this to a word mark in the *Treats* case (*British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281) but noted

> that it could apply equally to other kinds of trade marks. He said that a sign possessing no distinctive character is "**the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark.** Educating the public to see the shape of goods, or of their packaging, as a trade mark could be very difficult if the shape is the same as, or similar to, a type normally found amongst equivalent goods on the market.

The paper then poses a question that concerns me here: "What then are the tests for inherent capacity to distinguish?" Under that heading, the paper continues at page 9:

> Under the *Trade Marks Act 1995* the grounds for rejection of a trade mark are the same for all kinds of signs, provided of course that they are capable of being represented graphically. There are no grounds for rejection of shape marks which do not apply equally to words, letters, numerals, labels and so on.
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> As Justice Lehane noted, section 39 of the repealed *Trade Marks Act 1994* (Cth) did include specific grounds of rejection for marks consisting of the shape of the goods. These applied to shapes which were the result of the nature and function of the goods. The fact that the section is not included in the 1995 Act does not mean that matters of functionality should not be taken into account in assessing the registrability of shape trade marks. They simply become part of the question to be decided under section 41 of the Act, that is whether or not the trade mark is capable of distinguishing the designated goods or services.
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> In her judgment in the *Oregon* case (supra) Justice Branson addressed the question of what capable of distinguishing meant under the *Trade Marks Act 1995*. She concluded that the test applied in cases such as the *Michigan* case (*Clark Equipment Co v Registrar of Trade Marks* - (1964) 111 CLR 511) and the *W. & G. case (W & G du Cross Ltd's Application* - (1913) 30 RPC 660 continue as good precedent under the 1995 Act while noting that the 1955 Act test was more demanding than that in the current legislation.

I note, and have been guided by, these comments. While they are to the point, there is one thing of significance that the paper puts only briefly. The case law that Justice Branson endorsed makes reference to the critical ingredient, <u>inherent</u> adaptation to distinguish. Without it, under the older UK legislation, no trade mark, no matter how heavily used, could be found "adapted to distinguish". Prior to 1955 in Australia and 1938 in the UK, there was only a one-part register and any registrable mark was required, overall, to be "adapted to distinguish". Thus, long before the *Michigan* case, or even the 1938 UK legislation, the judicial requirement that a mark must have some inherent adaptation was well understood. See also s 9(2) and (3) of the 1938 UK legislation, or s 26 (1) and (2) of the 1955 Australian legislation.

The degree of inherent adaptation cannot be built up by use. Without it, as is well recognised, no trade mark could be registered under the 1955 Australian legislation or any comparable UK legislation. However, the ultimate test in those cases was always to ask if the mark was, overall, adapted to distinguish. This latter test, as noted in *Michigan*, supra, is a somewhat broader inquiry. It is posed in a slightly different way. It asks if other traders, acting honestly, that is, in the light of the use made by the applicant, would want to use the sign in question, or one sufficiently close to it, as a trade mark, noting that if it was entirely without inherent adaptation, the question, under the older legislation, must always have been answered in the negative.

Decision

At the hearing, Mr Tannahill had argued strongly that the merits of the particular barrier element in question had to be seen against the other sorts of barriers made by the applicant and its competitors. Part of his argument was that the applicant's barriers produce, when in use and joined together, an effect of a continuous wall. The applicant sometimes emphasises this effect by displaying its barrier elements in red-white-red-white order.

In my opinion, however, the merits of a barrier without gaps between component elements are obvious. Such results can presumably be achieved by a variety of shapes of modular element. The applicant itself has created two different shapes that will do this job although I fully accept that, at least at the time of the hearing, only the applicant's plastic elements did so.

After that hearing, and having considered Mr Tannahill's arguments, I wrote to him in the following terms. I think Mr Tannahill's arguments, to that point, appear sufficiently clearly from part of the terms of my reply:

> You argued that, at the filing date, this continuous-wall attribute would have stamped any such barrier as made from one or other of the applicant's elements. However, as there are clearly many shapes of element that can produce this effect I do not think this is particularly supportive of the claim that the individual shape of any one element is capable of distinguishing. The question should be, rather: is the particular and specified shape of barrier element capable of distinguishing the applicant's goods from the shapes of barrier elements to be used by others?

You noted the terms of the paper that Michael Arblaster, acting as the Registrar, presented to IPSANZ just before the hearing[1]. I think the critical part of the paper, for present purposes, is this:

> In considering whether, in the ordinary course of their business, competitors will legitimately want to manufacture goods of the same kind in the same (or a very similar) shape as that applied for, one may wish to look at whether:
> - it is an ordinary or commonplace shape for the goods in question
> - it is a minor variation of an ordinary or commonplace shape for the goods in question
> - it is a shape essential to the use or purpose of the article
> - it is the shape needed to achieve a technical result
> - it is a shape which has an engineering advantage, resulting in superior performance
> - the shape results from a comparatively simple, cheap method of manufacture
> - the shape facilitates the manufacture, distribution or storage of the goods.
>
> In any of these circumstances, which are related to the functionality of the shape, the granting of an exclusive right in the shape would be likely to put competitors at a commercial disadvantage and hinder competition. The shape itself must be seen as lacking inherent adaptation to distinguish the applicant's goods and the extent to which that is so will depend on the degree to which each of the statements apply.

You argued that the current barrier element was not commonplace. I concede that nobody else makes elements of that shape. However, the shape is entirely functional and not at all unusual to the eye. The concept of a continuous barrier is not new since, in general, a thing is less effective as a barrier if it has points that can be described as gaps. Equally, the linking of elements in the present manner is an obvious adaptation of a known jointing technique.

In the case of the present barrier element:

- the recesses in the barrier element are spaced to accommodate the tines of a forklift. As you yourself said, these elements are not light, even when empty.
- the ends are joined in what carpenters would call a pinned mortice and tenon joint. This ability to interlock the elements is essential to the smooth-wall effect that these elements, among others, are aimed to produce.

Accordingly, I do not accept that there is anything about this shape that is inherently adapted to distinguish it from other likely shapes of barrier elements. It therefore stands or falls under s 41(6). The question is, therefore, did that particular shape distinguish, in fact, the applicant's goods at the time of filing? At the time, only the

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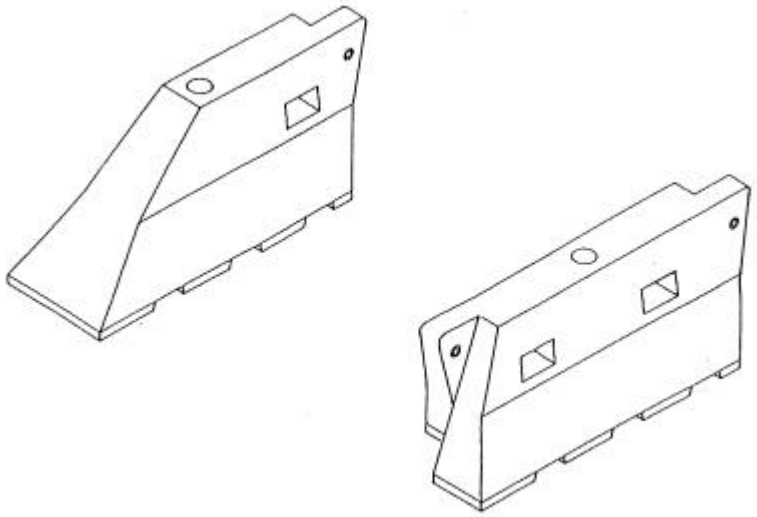
[1] This is the paper from which I have already quoted extensively. The part I quote to Mr Tannahill follows immediately after the portion I have previously quoted.

> TM800 *(see below)* barrier element was in extensive use. That is not the shape now specified, and does not look, to the eye, particularly like the current shape, your client's latest model. I therefore do not see that the presently specified shape distinguished in fact at the filing date.
>
> At the moment, I do not believe that I can accept the application. If necessary, I will reject it. However, you reserved the options of withdrawing the application or making further submissions. If you have not done either of these within one month of the date of this letter, the application will lapse and be so advertised.

I note here that the right to make submissions after a hearing is not automatic, and hearing officers do not usually extend the opportunity to do so. However, in view of the novelty of the issues to be dealt with, I gave Mr Tannahill an opportunity to reformulate his arguments as a written submission. This he did.

In those submissions, he points out that the barrier element is similar to one already the subject of a registration under the *Designs Act 1906*. The registered design is of a shape that the applicant calls by the model name TM800. It is as follows:



PERSPECTIVE VIEW OF THE APPLICANT'S TM800 BARRIER ELEMENT

The shape the subject of the current application, under the *Trade Marks Act 1995*, is what the applicant calls a NB850. It is a newer shape and, as I noted in my letter to Mr Tannahill, was little used at the time the application was filed. Mr Tannahill explained the different jointing techniques as allowing the relevant barriers to deal more easily with curving roadways and with rising and falling ground.

Mr Tannahill's written submissions make it clear that the applicant regards part of the trade mark merit of the application as residing in the fact that, when interlocked, barrier elements such as either the TM800 or the current one, the NB850, produce a smooth-wall effect, with neatly joined elements. This is the purpose of the representation, on the application form, of the three joined elements. Therefore, in what follows, I have allowed for the fact that it is apparently quite easy to identify a line of barriers, in use, as being those of the applicant.

My conclusion was, and remains, that the barrier element(s) in question, either individually or jointly, is/are entirely without inherent adaptation to distinguish. My finding in the present instance comes from the degree to which the present barrier elements are an obvious way of achieving a superior shape, a barrier without gaps.

The current shape and its stablemate, the TM800, are simply two of the most logical and predictable shapes for joinable barrier elements. In end view, the barrier is broad at the base, to resist toppling sideways. The rectangular holes seen in the side view are the shape most suited to the tines of a forklift. Coincidentally, they tie the two long faces of the barrier together internally, to resist bulging. The small ribs at the base of the barriers and visible in the same view are simply to allow water to drain away under the barrier. Finally, the ends add nothing except a convenient and entirely functional way of interlocking one element with another. When so joined, the assembled elements resemble a cast concrete barrier except for the addition of lifting holes.

Section 41(6) of the act governs such marks, and they cannot be accepted as capable of distinguishing unless the applicant demonstrates 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 goods or services as being those of the applicant.

Mr Tannahill has argued that I have overlooked the novelty of borrowing a jointing technique from carpentry. He argues that there is no overlap between that trade and the making of the present goods, made of plastic and intended to be filled with water.

Clearly, to those in the trade, one way of achieving a smooth and uninterrupted barrier is to use elements like the TM800. However, the fact that the NB850 has since been devised

shows, if it was not already quite obvious, that there are many ways of devising barrier elements that join smoothly. Engineers since before the time of the Pharaohs have striven for smooth joins in building blocks, as does the applicant. The fact that its TM800 elements are widely known to achieve that effect does not show that the effect, per se, is seen by those in the trade to indicate that barriers which achieve it must necessarily be the applicant's.

In my view, it does not matter that there is no direct overlap between carpentry and the making of traffic barriers. The way the barriers were joined is entirely functional, to achieve an obvious technical result. With all due respects to the applicant's patent rights, if any, the manner of interlocking does not lend any trade mark flavour to the shape of the present goods.

Mr Tannahill has pointed out that, from end-on, the TM800 appears to be identical to the NB850, both barriers giving the same smooth-wall result. The TM800 is, as I have already said, the subject of a registered design under the *Designs Act 1906*. Mr Tannahill argued that "if the design registration remains in force for sixteen years and the applicant continues to manufacture barrier elements TM800 and NB850, it is highly likely that after sixteen years the shape will be as distinctive as the shape of the COKE bottle."

However, my decision is that this application stands of falls under s 41(6). This depends on the factual situation at the filing date. What will happen 16 years from now, if various "ifs" come to pass, is not to the point. At the critical date, the applicant's NB850 barrier, the presently applied-for shape, was not in extensive use.

Conclusion

My conclusion is that the applicant has not shown that these particular barrier elements, even in the light of the smooth-wall effect that they achieve, distinguished the applicant's goods at the filing date. The application is therefore, in terms of s 41(6), not shown to be capable of distinguishing and thus, in terms of s 41(2), I am required to reject it. This I now do.

T. E. Williams
Hearing Officer
31 January 2000.