



## TRADE MARKS ACT 1995

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

Re: Opposition by Advantage Rent-a-Car to registration of trade mark application 747367(39) - ADVANTAGE & DEVICE- filed in the name of Advantage Car Rentals Pty Ltd.

#### **Background**

This matter arises out of the filing, on 29 October 1997 of an application by Advantage Car Rental Pty Ltd (the applicant) to register the trade mark appearing below in Class 35 in relation to “services relating to vehicles rental”.



During examination of the application, the application was amended to one in Class 39 and the services were amended to read “Car rentals”. The application was advertised as accepted on 24 September 1998.

On 22 December 1998, Advantage Rent-A-Car, (the opponent) filed Notice of Opposition to the registration of the trade mark. The grounds cited in the Notice are wide ranging but these reasons will address those grounds under sections 58 and 60 of the *Trade Mark Act 1995* (the Act).

[2]

On 21 September 1999, the opponent filed part evidence in support of its opposition. On 22 September 1999, the opponent filed the balance of its evidence in support of the opposition.

The hearing was before me in Sydney as a delegate of the Registrar of Trade Marks. The applicant was not represented and did not appear at the hearing. Mr Peter Knight and Ms Averil Waters of Clayton Utz, lawyers, of Sydney, represented the opponent.

As the opponent's evidence is central to the issues and outcome of this issue, I will outline this before summarising Mr Knight's submissions.

**The evidence**

Before discussing the evidence, I will note that the applicant has not put in any evidence in answer, nor did it appear at the hearing to dispute any of the opponent's argument or evidence. The applicant did send the Trade Marks Office a letter which makes various allegations, however these are unsupported and unsworn so I disregard them.

The evidence in support consists of three statutory declarations, the first two by Mark E. Walker, Vice-President of the opponent company. The first Walker declaration is dated 2 September 1999 and refers to attachments to the second Walker declaration dated 16 September 1999. Attachment Number 1 to the second Walker declaration is a copy of the first Walker declaration. I am not sure why the evidence was presented in this manner but it complies with the requirements of the Act and regulations concerning declarations.

The third statutory declaration is by William Peter Knight, solicitor, of the firm Clayton Utz.

The evidence shows that, on 5 July 1984, the opponent, of San Antonio, Texas, adopted the trade mark appearing below in respect of its car rental services:



The opponent has registered its trade mark with the United States Patent and Trademark Office – this registration dates from 28 May 1991 and records that it was first used in commerce within the United States on 5 July 1984.

The opponent has used the trade mark extensively throughout the United States since its adoption in advertising and promotional material. This promotional material includes a publication called *Travel Agent*; the date of the two magazines in evidence is 12 July 1999. The opponent has networks of branches within Arizona, California, Colorado, Mexico, Nevada, New Mexico, Utah, Oklahoma and Washington.

The opponent's records show that between 1990 and 1996 some 320 Australian residents booked the opponent's rental cars for use within the United States. The names and addresses of these 320 people are in evidence, supplied on a computer print-out; however, the place, or places, that the bookings were made from is/are not stated.

A confidential exhibit to the Walker declarations shows that the opponent has many millions of dollars worth of use annually, stemming from its operations in the United States and Mexico, in relation to its trade mark.

The opponent refers to its Internet site at [www.arac.com](http://www.arac.com) and supplies printed pages of this website in the evidence. It states that bookings can be made from Australia from these Internet pages. However, the opponent does not state when this website was set up and does not expressly state when or whether bookings from Australia were made through it.

The evidence shows that the applicant has an Internet site at <http://www.advmsia.com.my/intnet.htm> where, after detailing its branches in Melbourne, Brisbane Gold Coast, Adelaide Canberra and Perth, it advises:

**OTHER LOCATIONS LINKED WITH ADVANTAGE GROUP  
ARIZONA-COLORADO-NEVADA-NEW MEXICO-TEXAS-UTAH-  
WASHINGTON-MEXICO**

I have inspected this site and, as at 6 May 2000, this advice was being given by the applicant under the trademark, which appears below:



The locations in the United States given by the applicant which it is stated are 'linked' with the Advantage Group coincide with the locations of the opponent's networks.

Further, it would appear from the opponent's evidence that a principal of the applicant company, Mr Fred Geissler, visited the United States possibly at some time in 1996 or early 1997 and used the services of the opponent provided under the trade mark. On 23 February 1997, Mr Geissler wrote to Mr Jim Walker at the opponent company a hand written note, on a 'with compliments' slip bearing the trade mark, which said, "I liked your company so much I started my own in Australia." Further, on 2 February 1998, Mr Geissler wrote to the opponent enclosing a brochure of the applicant's bearing the trade mark, drawing attention to the fact that the applicant services clientele in Australia visiting from the USA and suggesting that the applicant and opponent form formal networking links in relation to services provided under the trade mark.

**The submissions**

After first discussing the evidence, Mr Knight's submissions focussed on sections 58 and 60 of the Act. He drew my attention to the opponent's perceptions of bad faith on the part of the applicant and the opponent's concerns regarding confusion and deception between the services of the applicant and those of the opponent.

**Reasons**

Section 58 provides:

**58 Applicant not owner of trade mark**

The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

Note: For *applicant* see section 6.

‘Ownership’ under the Act has the same meaning as ‘proprietorship’ had under the *Trade Marks Act 1955*. To displace an applicant's claims to ownership of a trade mark, an opponent must show that it had authorship and use of a substantially identical trade mark in the course of trade in Australia in respect of the ‘same kind of thing’ prior to either the application date or first use of the trade mark by the applicant, whichever is the earlier: *Re Hicks's Trade Mark* (1897) 22 VLR 636; *Carnival Cruise Lines Inc. v Sitmar Cruises Limited* No. NG788 of 1992 FED No. 68/94 Trade Marks (1994) AIPC 91-049 (1994) 120 ALR 495.

As the services of the applicant and opponent are ‘the same kind of thing’, both being vehicle rental services, the remaining questions are, firstly, whether the opponent had prior use, in the course of trade, of its trade mark in Australia, and, secondly, if the trade marks are substantially identical. As the issue turns out, I do not have to consider the second question here.

The first question, essentially, is whether the evidence of the (approximately) 320 Australians who utilized the services of the opponent in the United States supports the proposition that such prior use might displace the claims to proprietorship by the applicant. In *Sitmar, supra*, Gummow J said:

56. Thus, whilst the course of trade involved the provision of the services contracted for by steps taken outside Australia (i.e. the cruise itself) crucial integers in that course of trade took place in Australia. The trade commenced with the various steps taken to encourage inquiries from prospective customers and advanced with the placing and acceptance of bookings. In relation to that course of trade, the marks "Fun Ship" and "Fun Ships" were used so as to indicate the connexion between Carnival and the services to be provided by means of its cruises, and to distinguish Carnival Cruises from those operated by other traders: *Mark Foy's Limited v Davies Coop and Co. Ltd* (1956) 95 CLR 190 at 205.

Accordingly, in my view, before the dates of the relevant applications by Sitmar, there had been public use in Australia of "Fun Ship" and "Fun Ships" as trade marks so as to confer upon Carnival the statutory status of "proprietor" of those trade marks, within the sense of the High Court authorities to which I have referred.

It would appear from the above that the necessary condition to support the opponent's claim to proprietorship is that it had promoted and offered its services in Australia through, for example, travel agencies or airline booking offices and that such services were booked from within Australia prior to the priority date of the application. It is impossible to ascertain from the evidence whether the opponent has shown this. While it is certain that some 320 Australians have used the opponent's services prior to the priority date, there is no evidence to support the proposition that the services were booked in Australia or if those bookings were as a result of the offer of the services through Australian agents. The records (which are computer print-outs) supplied by the opponent show the names and addresses of Australians who have used the opponent's services but the computer coding does not reveal where the bookings were made from and the declarations are silent on the significance of the coding. Further, while the opponent does have an Internet site through which bookings might have been made from Australia, the evidence on when and whether this occurred is opaque. The publicity material supplied by the opponent is, in the main, from mid 1999, well after the priority date of the application, and there is no mention in evidence of if this material ever circulated in Australia.

The opposition therefore fails under the section 58 ground.

## **Section 60**

### **60 Trade mark similar to trade mark that has acquired a reputation in Australia**

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

[7]

- (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.

The matters for consideration that emerge are:

- whether the trade marks in question are substantially identical or deceptively similar
- the priority date
- the reputation opponent's trade mark had acquired in Australia
- the likelihood of deception or confusion

There is, it will be noted, no requirement within section 60 that the reputation relied on be as a result of the user of the trade mark within Australia. However, the reputation of the trade mark should have been acquired in Australia.

#### *Substantial Identity/Deceptive similarity*

The tests for substantial identity and deceptive similarity are those stated by Windeyer J in *Australian Woollen Mills v F.S. Walton & Co. Ltd* (1937) [58 CLR 641](#) at 658:

In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison. "The identification of an essential feature depends", it has been said, "partly on the Court's own judgment and partly on the burden of the evidence that is placed before it: *de Cordova v. Vick Chemical Co.* (1951) 68 RPC 103, at p 106 . Whether there is substantial identity is a question of fact: see *Fraser Henleins Pty Ltd v. Cody* (1945) [70 CLR 100](#), per Latham C.J. (1945) 70 CLR, at pp 114, 115 , and *Ex parte O'Sullivan; Re Craig* (1944) 44 SR (NSW) 291 , per Jordan C.J. (1944) 44 SR (NSW), at p 298 , where the meaning of the expression was considered.

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is

between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's television exhibitions. To quote Lord Radcliffe again: "The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him . . . . It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole": *de Cordova v. Vick Chemical Co* (1951) 68 RPC, at p 106.

After consideration of these tests, I believe that the trade marks in question are substantially identical. It is true that the applicant's trade mark contains the words CAR RENTAL whilst the opponent's trade mark contains the words RENT-A-CAR. It is also true that the shape of the rectangle at the base of the polygon containing the half-star shape differs between the trade marks. However, the difference seems to me to be one of background relief behind the relevant portions of the trade marks and not one that might be viewed as contributing to the identity of the trade marks as a whole. Further the variation in the words is one between matter which is inherently non-distinctive and purely descriptive within the context of these trade marks and the services of the parties. The essential features of the trade marks are the half-star and polygonal dome device and the existence and location of the word ADVANTAGE - the trade marks are identical in these respects.

Should I be wrong in my conclusion that the trade marks are substantially identical, I note that they are, at the least, deceptively similar.

#### **The priority date**

This date is that defined by sections 12 and 29 of the Act. The priority date of the application is the date on which it was filed at the Trade Marks Office: 29 October 1997.

#### **The reputation of the opponent's trade mark**

As previously noted, approximately 320 Australians have used the opponent's services while traveling in the United States of America. Also, the applicant itself has observed, in its letter of 2 February 1998 to the opponent, that the applicant also services United

States citizens who visit Australia. I note that the Bureau of Tourism Research states that there were 309,800 visitors from the United States in 1997. It is, of course, impossible to estimate the proportion of those visitors who were both aware of the opponent's services in the United States and utilized car-hire services on this basis within Australia. However, since the applicant has stated that this was occurring, I do take it that there were sufficient numbers for this to be worthy of comment.

In *Re: Conagra Inc. v McCain Foods (Aust) Pty Ltd* No. G312 of 1991 FED No. 176 (1992) 23 IPR 193, (1992) AIPC 90-892 (extract), (1992) 106 ALR 465, (1992) 33 FCR 302, which I note is a passing-off case, Lockhart J stated:

115. It is no longer valid, if it ever was, to speak of a business having goodwill or reputation only where the business is carried on. Modern mass advertising through television (which reaches by satellite every corner of the globe instantaneously), radio, newspapers and magazines, reaches people in many countries of the world. The international mobility of the world population increasingly brings human beings, and therefore potential consumers of goods and services, closer together and engenders an increasing and more instantaneous awareness of international commodities. This is an age of enormous commercial enterprises, some with budgets larger than sovereign states, who advertise their products by sophisticated means involving huge financial outlay. Goods and services are often preceded by their reputation abroad. They may not be physically present in the market of a particular country, but are well known there because of the sophistication of communications which are increasingly less limited by national boundaries, and the frequent travel of residents of many countries for reasons of business, pleasure or study.

Also in *Conagra, supra*, Gummow J said:

74. In my view, where the plaintiff, by reason of business operations conducted outside the jurisdiction, has acquired a reputation with a substantial number of persons who would be potential customers were it to commence business within the jurisdiction, the plaintiff has in a real sense a commercial position or advantage which it may turn to account. Its position may be compared with that of a plaintiff who formerly conducted business within the jurisdiction and has retained a reputation among its erstwhile customers, and with that of a plaintiff with a reputation which arises from its trade in the jurisdiction, but extends to goods or services which are not presently marketed by him. If the defendant moves to annex to itself the benefit of such a reputation by attracting custom under false colours, then the defendant diminishes the business advantage of the plaintiff flowing to it from the existence of his reputation. This is so whether the plaintiff is a party which may expand into a new field of business or resume a

former business conducted in the jurisdiction, or a party which may enter the jurisdiction to establish a business for the first time. The immediacy and intensity of the intention of the plaintiff to commence or resume business is, in my view, a question going not so much to the invasion of the plaintiff's rights as to the imminence of a threat sufficient to justify an injunction. The bad faith of the defendant will not be sufficient to confer rights upon a plaintiff where the necessary reputation in the jurisdiction is lacking. Further, in my view, in these cases the presence of bad faith on the part of the defendant is not an additional requirement which is to be satisfied by the plaintiff; fraud in the sense of persistence after notice of the plaintiff's rights will suffice.

As previously noted, *Conagra, supra*, is a passing-off case but I believe that the comments in *Conagra* concerning reputation are applicable to section 60 of the Act. I note Gummow J's comment concerning the necessity that the reputation be among a 'substantial number of persons'. But I consider that this is made in the light of the 'goodwill' tests within passing-off actions as specified in, for example, Lockhart J's quotation of Lord Fraser of Tullybelton's summation of the principles in *Erven Warnink Besloten Vennootschap v J. Townend and Sons (Hull) Ltd* (1979) AC 731 ("the Advocaat Case") at 755-6:

It is essential for the plaintiff in a passing off action to show at least the following facts: - (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value; (5) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.

I would stress that what I am considering here is not the opponent's goodwill in the trade mark, nor any property that might exist in that goodwill - I am considering the reputation of the opponent's trade mark on its own. Gummow J touched on this issue in *Sitmar, supra*, at para 27 where he stated:

In any case, it would not be to the point, where the application of para.28 (a) is in issue, that because of awareness of the activities of Sitmar since late 1984 there

were some persons who at the relevant dates of application by Sitmar in 1985 would not have been confused because they associated "Funship" exclusively with Sitmar. The relevant question rather is whether there was a number of persons who would be caused to wonder whether it might not be the case that the "Funship" services offered by Sitmar came from the same source as those marketed for Carnival; see *Pioneer Hi-Bred Corn Co. v Hy-Line Chicks Pty Ltd* (1979) RPC 410 at 439. Further, as Richardson J earlier pointed out in the same case (at 423-424) phrases such as "a number of persons" indicate that (i) it is not always necessary that large numbers of people should probably be at risk of confusion, it being more a matter of significance of the numbers in relation to the market and (ii) to focus upon an issue of whether the opponent had established a reputation sufficient to support a business goodwill for a passing-off action, diverted attention from the real issue that arises under provisions such as para. 28 (a); his Honour preferred more neutral terms such as "awareness", "cognizance" or "knowledge" of the mark of the opponent in the forum at the relevant date.

Further, the above observations should qualify the test in *Re Smith Hayden and Co's Application* (1946) 63 RPC 97 at 101 which says in relation to section 11 of the United Kingdom *Trade Marks Act 1938*, a section which was equivalent to subparagraph 28(a) of the *Trade Marks Act 1955*:

(H)aving regard to the reputation acquired by the trade mark, is the delegate satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion among a substantial number of persons

This test is further qualified by French J in *Registrar Of Trade Marks v Woolworths Ltd* (1999) 45 IPR 411 where he said of the 'notional user' test (applicable under section 12 of the UK Act, section 33 of the 1955 Act and section 44 of the 1995 Act) in *Smith Hayden, supra*:

So far as this passage, reflected in oral submissions, suggests that an applicant must satisfy the registrar or the court that there will be no reasonable likelihood of deception and confusion it does not represent the law as it stands under the 1995 Act. 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.

In the light of the judicial comments in both *Sitmar* and *Woolworth's*, it would seem, when reputation is considered, the quantum of the reputation is not substantial since the requirement in *Smith Hayden* of 'deception and confusion among a substantial number of persons' appears to have been read down.

In *Conagra*, the plaintiff could not point to any Australians who knew of the use and reputation of the HEALTHY CHOICE trade mark within the United States and the passing-off action failed. Here the opponent has pointed to some 320 Australians who, at the relevant date, had used the services of the opponent and therefore knew of the use and reputation of the ADVANTAGE trade mark. This number is very small. I note the findings of Gummow J in *Sitmar*, *supra*, in relation to section 28(a) of the *Trade Marks Act 1955* where comparatively low bookings and inquiries made by Australians (albeit within Australia) about cruises (offered outside Australia) and declarations from three female travellers were sufficient to underpin the finding. However, in *Sitmar*, this was in relation to use and commercial activity in relation to the trade mark within Australia. I believe that, in the absence of evidence that shows that the use of the trade mark in relation to the services provided to the 320 Australians resulted from advertising, promotional or similar activities within Australia, I may not conclude that the trade mark had acquired a reputation in Australia.

Accordingly, I have reservations as to whether I can find that the opponent's trade mark had acquired a reputation *in Australia*. Famous or well-known trade marks (which have not been used in Australia) are afforded protection by the provisions of section 60 of the Act. However, the opponent's trade mark is not famous or well known and, absent any use within Australia, there is nothing in the evidence in the way of trade magazines, brochures, Internet material, exposure to the wider Australian public on television or in motion pictures, and so on which have been demonstrated to be available prior to the priority date of the application to suggest a commercial reputation in Australia.

**The likelihood of deception or confusion**

For the sake of completeness, I note that in *Registrar of Trade Marks v Woolworths*

[1999] FCA 1020 (29 July 1999), French J said:

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."

Most members of the public who avail themselves of car hire services will be aware that many of these operate as franchise services. My personal experience tells me that some vehicle hire providers are very large international companies with outlets, agents or franchises in many countries around the world. This public knowledge of international franchise operations of car hire companies and these circumstances of trade is akin to that referred to in *Re: Pacific Dunlop Limited v Paul Hogan; Rimfire Films Limited and Burns Philp Trustee Company Limited* No. NG1387 of 1988 FED No. 250, 23 FCR 553. The relevant public is used to encountering vehicle hire companies which operate under the one trade mark on an international basis.

If the opponent had been able to establish that its trade mark had a reputation in Australia prior to the filing date of the applicant's trade mark, there is no doubt that the use of the applicant's trade mark would have been confusing and deceptive. However, as I have previously observed, it is not clear from the evidence that the opponent had a reputation in Australia before the priority date of this application.

### **Decision**

The opposition in terms of section 60 of the Act is dismissed. The opposition in terms of section 58 of the Act is dismissed. Subject to any appeal from my decision, the trade mark may proceed to registration.

### **Costs**

Costs may follow the event and I award cost against the opponent.

Ian Thompson  
Hearing Officer

16 May 2000