



TRADE MARKS ACT 1995

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

Re: Opposition by Prefel S.A. to registration of trade mark application 778583(25) for the trade mark STRADA filed in the name of Merchant Corporation Pty Ltd

Background

Trade mark application 778583 was filed on 18 November 1998 in the name of Merchant Corporation Pty Ltd ('the applicant'). The application is for the registration of the trade mark STRADA in respect of "mens and womens clothing" in class 25. The application was examined in terms of the *Trade Marks Act 1995* ('the Act') and was advertised as accepted in the *Australian Official Journal of Trade Marks* of 18 March 1999.

Prefel S.A. ('the opponent') filed notice of Opposition to the trade mark's registration on 11 June 1999, within the time allowed. The Notice of Opposition listed several grounds of opposition, which are based on sections 41, 42, 43, 44, 58, 60 and 62 of the Act.

On 11 February 2000, after seeking and receiving extensions of time in which to do so, the opponent served part of its evidence in support of the opposition. The balance of that evidence was served on 11 June 2000.

The applicant sought a first extension of time to file evidence in answer. The extension application was not in order and was ultimately refused. There were no further extension applications, and no evidence in answer was filed or served. Neither party requested a hearing and the matter was set down for me to decide, as the Registrar's delegate. The opponent filed brief written submissions.

The evidence

The opponent's evidence in support consists of two statutory declarations by Khrystyna Halyna Misko, a trade mark practitioner with the firm of Fisher Adams Kelly, who act on behalf of the opponent.

The first Misko declaration, dated 1 March 2000, attests to ownership of trade marks 533796, 533797, 533798, 725963 and 747344 by the opponent, Prefel S.A. On 19 March 2001, following service and filing of that statutory declaration, ownership of those trade marks was assigned to Prada S.A. No advice was received by this office that the interest in the opposition had become vested in Prada S.A. and the opposition proceeded in the name of Prefel S.A.

A history of the use and claimed reputation of the trade marks, both overseas and in Australia, is provided. Attached to the statutory declaration are annexures KHM 1-7, which provide some details of sales and advertising of the opponent's trade marks in Australia from 1988 when use first commenced. Annexures KHM 1-5 include Trade Marks Office database status reports, an historical background of the opponent, a list of worldwide outlets that specialise in PRADA goods, sales invoices and details of advertising budgets. Annexures KHM 6 and KHM 7 consist of copies of invoices and samples of advertisement of the trade marks in Australia.

The second Misko declaration is dated 25 May 2000. Annexures KHM 8-10 accompany the declaration and provide additional samples of advertisements promoting the PRADA mark in newspapers, magazines and excerpts of catalogues.

Submissions

The central point of the argument put forward by the opponent's attorney was that the applicant's trade mark, STRADA, and the opponent's trade mark, PRADA, have the capacity to be readily confused when voiced because of the shared component -RADA. Taking into account the established reputation the trade mark PRADA has internationally, and the context in which the goods travel, there is a likelihood that use of the word STRADA on the same or similar goods could lead to confusion. Ms Misko referred to *Hugo Boss A.G. v World One Co Ltd* [2000] ATMO 88 (*Hugo Boss v World One*), where in considering a similar set of factors, Deputy Registrar Hardie found use of the trade marks WOSS and BOSS on the same sets of goods would generate consumer deception or confusion.

Reasons

Three of the opposition grounds the opponent relies on are in terms of ss41, 42 and 62 respectively. The opponent has not supported its opposition with evidence, or argued

submissions for these grounds. I find, therefore, the opposition has been unsuccessful in respect of grounds ss41, 42 and 62.

The remaining grounds are in terms of ss43, 44, 58 and 60, such other grounds as the Registrar of Trade Marks may see fit to allow, or by reasons of the special circumstances of the case.

Section 43

This section reads:

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.

The principle of 'connotation' in section 43 was discussed in *Down to Earth (Victoria) Co-operative Society Ltd v Schmidt* (1998) 41 IPR 632. In that decision, Hearing Officer Forno said at 643-644:

"Connotation" is a new term in trade mark legislation and as such has not yet been interpreted by the courts. The following are two dictionary definitions which define the ordinary meaning:

Macquarie Dictionary:

1. the act or fact of connoting. 2. that which is connoted; secondary implied or associated meanings (as distinguished from denotation): for example the word "bum" has connotations of vulgarity.

Oxford English Dictionary:

The signifying in addition; inclusion of something in the meaning of a word besides what it primarily denotes; implication.

Therefore it can be said that the word connotation refers to that which is implied in a trade mark - in addition to its essential or primary meaning. A connotation can result from the trade mark as a whole, or can result from a sign contained within the trade mark. The prominence and context of the potentially deceptive or confusing element in the trade mark is important in deciding whether the trade mark is likely to deceive or cause confusion. Considerations under s43 concentrate on the matter within the trade mark that could cause deception or confusion in the mind of the relevant buying public.

Thus, it is the nature of the mark itself that must be considered.

I have considered the applicant's trade mark and do not find that either the trade mark as a whole, or any sign contained in the trade mark, could be regarded as having a connotation

which would be likely to lead to deception or confusion when used on the applicant's goods. The opponent's evidence in support and its written submissions do not support this opposition ground. Therefore, I find the opposition fails on the section 43 ground.

Section 44

Section 44 states:

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.

Section 44 of the Act should be read in the light of section 33, which states:

Application accepted or rejected

33.(1) The Registrar must, after the examination, accept the application unless he or she is satisfied that:

(a) the application has not been made in accordance with this Act; or

(b) there are grounds for rejecting it.

Note: For the grounds on which an application may be rejected see Division 2.

(2) The Registrar may accept the application subject to conditions or limitations.

Note: For *limitations* see section 6.

(3) If the Registrar is satisfied that:

(a) the application has not been made in accordance with this Act; or

(b) there are grounds for rejecting it;

the Registrar must reject the application.

(4) The Registrar may not reject an application without giving the applicant an opportunity of being heard.

Note: For *applicant* see section 6.

In *Registrar of Trade Marks v Woolworths* (1999) 45 IPR 411 (*Registrar v Woolworths*) at [34], French J said:

The condition of refusal of an application is that the registrar is satisfied that there are grounds for rejection. If not so satisfied the registrar must accept the application. Unless the registrar thinks that the proposed trade mark is likely to deceive or to cause confusion then all other things being equal, the application must be accepted.

At [45] he observed:

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.

The opponent has listed five trade marks as deceptively similar to the applicant's. They are:

| TM No | Trade Mark | Priority Date | CI Goods/Services |
|--------|-------------------|--------------------|---|
| 533796 | PRADA stylised | 8 May 1990 | 3 Perfumery articles; perfumes; essential oils; cosmetic; skin creams; lipstick; rouges, eyeshadows; hair lotions; toothpaste; tanning oils and creams; detergives; bleaching substances; softening substances; soaps; beard soaps; liquid soaps; bath oils; hair compounds for hair-set and for permanent waves; products for colouring and decolouring hair; deodorant for personal use; compounds for cleaning, polishing, taking the grease off, scraping and branding; and all other goods in this class |
| 533797 | PRADA stylised | 8 May 1990 | 25 Clothing articles for men, women and children; shirts; blouses; skirts; coats; trousers; pants; vests; jerseys; pyjamas; shoes; socks and stockings; singlets; corsets; garters; drawers; petticoats; slippers; footwear in this class; hats; scarfs; neck-ties; rain-coats; overcoats; great-coats; bathing-costumes; sports overalls; wind-resistant jackets; ski-pants; belts; and all other goods in this class |
| 533798 | PRADA stylised | 8May 1990 | 18 Luggage, bags, hand-bags, valises, trunks, travelling bags, satchels, purses, wallets, brief-cases, attache-cases, sunshades, beach-umbrellas, umbrellas, walking sticks, harnesses and saddlery; and all other goods in this class |
| 725963 | PRADA stylised | 17 January 1997 | 9 Lenses; spectacles; sunglasses; lenses for spectacles and for sunglasses; frames for spectacles and for sunglasses; spectacles cases 14 Watches, clocks, costume jewellery and precious jewellery; precious stones 16 Books and magazines; stationery articles, including exercise books, address books and notebooks, numerical and alphabetical inserts, envelopes, calendars and agendas; writing and marking instruments, including fountain pens, ball pens, felt-tipped pens and roller pens, markers, highlighters, pencil and pencil leads, refills for pens 20 Window blinds, non-metal tool boxes, plastic boxes, wood boxes, boxes not of metal (jewellery), busts, ornamental novelty buttons, bone and wood carvings, closures for perfume, cosmetics and bottles, containers not of metal for commercial use, picture frames, furniture, gift package decorations made of plastic, cushions, plastic drawer lining material, fitted fabric furniture covers, hand fans, figures, jewellery boxes not of metal or precious metal, key chains, key fobs, key holders, key rings not of metal, hand held mirrors, furniture mirrors, pillows, furniture screens 21 Kitchen utensils, including serving spoons, basting spoons, cork screws and napkin rings not of precious metal; household containers, including ice buckets, containers for food and soap; beverage glassware; porcelain dishes in general; earthenware; including mugs, basins, beverageware; bowls, boxes, buckets, cake servers; candle holders; chamber pots, commemorative plates; containers for food and beverages; soap containers; cookware, decorative plates, dishes, door knobs made of porcelain or earthenware; china; crystal, earthenware, glass, porcelain and terracotta figurines, vases 24 Textile fabrics for clothing, home furnishings, wall coverings, bed and table goods, upholstery fabric and cushions 34 Smokers' articles 35 Hotel management services 41 Social club services in this class; providing sauna facilities services 42 Restaurant, hotel, motel, bar, cocktail lounge, tourist home services; country club services; beauty salon services |

| TM No | Trade Mark | Priority Date | Cl Goods/Services |
|--------|---|---------------------------------------|--|
| 747344 | PRADA, with colour limitation to red and white as shown on application form | 25 June 1997 (priority claim Benelux) | <p>3 Cosmetics, namely night and day cream, cleaning preparations for the face and body, bath foam, shaving foam, aftershave, foundation makeup, nail polish, deodorants for men and women, hand and baby soap, hair shampoo and rinses, hair spray, toothpaste and fragrances, namely perfume, toilet water and essential oils per personal use for men and women</p> <p>9 Lenses; spectacles; sunglasses; lenses for spectacles and for sunglasses; frames for spectacles and for sunglasses; spectacles cases</p> <p>12 Vehicles; apparatus for locomotion by land, air or water</p> <p>14 Watches, clocks, costume jewellery and precious jewellery; precious stones</p> <p>16 Books and magazines; stationery articles, namely: exercise books, address books and notebooks, numerical and alphabetical inserts, envelopes, calendars and agendas; writing and marking instruments, namely: fountain pens, ball pens, felt-tipped pens and roller pens, markers, highlighters, pencil and pencil leads, refills for pens</p> <p>18 Handbags, wallets, luggage, attache cases, tote bags, briefcases, all purpose sport bags, travelling trunks and carry-on bags, shoulder bags, garment bags for travelling keycases, umbrellas, parasols and walking sticks, whips, harnesses and saddlery</p> <p>25 Clothing for men, women and children, namely coats, raincoats, belts, waistcoats, blouses and pullovers, jackets, trousers, skirts, dresses, suits, shirts and chemises, T-shirts, sweaters, underwear, socks and stockings, gloves, ties, scarfs, hats and caps, boots, shoes and slippers</p> <p>28 Games and playthings; gymnastic and sporting articles (except clothing); ornaments and decorations for Christmas trees</p> |

As shown in the tables set out above, the opponent's trade marks all have earlier priority dates than 18 November 1998, which is that of the applicant's trade mark.

When considering trade marks for the purposes of section 44 two questions must be asked:

- are the trade marks either substantially identical or deceptively similar?
- are the goods and/or services similar or closely related?

The opponent's trade marks cover a wide range of goods and services in various classes. For practicality, I will first address the issue of similarity of goods and/or services, and then proceed to consider the trade marks.

The test for determining goods of the same description was established by Romer J in *Re Jellinek's Application* 63 RPC 59. Applying that test, I find there is no close relationship between the applicant's goods, being "mens and womens clothing" and any of the goods covered by the opponent's registered trade marks 533796, 533798 and 725963. An overlap, however, occurs between the applicant's goods and the class 25 goods covered by trade marks 533797 and 747344, the nature, use and trade channels of those respective sets of goods being the same.

I must also decide if there is a close relationship between the applicant's goods and the opponent's services in classes 35, 41 and 42. The question of closely related goods and services was canvassed in *Caterpillar Loader Hire (Holdings) Pty Ltd v Caterpillar Tractor Co* (1983)1 IPR 265, and again in *Registrar v Woolworths*, supra. A guide deriving from those cases is that services and goods may be considered as closely related if the services are performed upon or by means of the goods. Consistent with that guide, I find the applicant's goods and the services covered by the opponent's trade marks are not closely related. None of the services in classes 35, 41 or 42 of the opponent's trade marks are either performed on, or delivered by means of, the goods claimed by the applicant in class 25.

I have found there is an overlap between the applicant's goods and the goods covered by the opponent's registered trade marks 533797 and 747344. I must now turn my attention to whether the applicant's trade mark is substantially identical or deceptively similar to those marks.

The relevant test as to whether the trade marks are substantially identical is that outlined by Windeyer J in *Shell Co. (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407 (*Shell v Esso*) at 414-5:

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 . . .

Trade mark 533797 is the word PRADA in stylised form, and 747344 the word PRADA depicted in, and restricted to, the colours red and white. For the purposes of comparison on this occasion, the colour limitation placed on trade mark 747344 is not a relevant factor. The applicant's trade mark, STRADA, is not limited to any colour or colour combination, and in use, as per s70(3) of the Act, it would be open to the applicant to apply the same red and white colours to its mark. My consideration in this instance must then be limited to the words themselves.

On a side by side comparison, I believe the differences between the two words are plainly evident. STRADA, consists of six letters and commences with the letters 'ST', whereas PRADA consists of five letters and commences with the letter 'P'. Although the words have common endings in the letters -RADA, I do not find them to be substantially identical.

The test for deceptively similarity is somewhat different. Here, it is the impression left by the marks that must be considered. In deciding whether the trade marks are deceptively similar, I have applied the familiar tests set out in *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 and *Shell v Esso*, supra.

In *Shell v Esso*, supra, Windeyer J observed:

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 impression that such persons would get from the defendant's television exhibitions.

I am also guided by the rules for comparison of word marks set out in *Re Application by the Pianotist Co Ltd* (1906) 1 IPR 379 (*Pianotist's Appn*'), at 380.

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.

The visual impression created by each of the trade marks is, in my opinion, not sufficiently close to cause deception or confusion. The letters 'ST' and 'P' are unlike in appearance, and while the remaining letters of each word, -RADA, are the same I consider members of the buying public are unlikely to retain a similar visual impression of each mark.

In her submissions Ms Misko affirms there is an orthographic similarity between the words, STRADA and PRADA. Notwithstanding this, she suggests there is a likelihood that the words will be confused because there is a significant degree of similarity residing in the shared component -RADA. When each of the words is voiced, the emphasis would be placed on the syllable 'RA'. If Ms Misko's argument is correct, it would follow that enunciation of the initial elements would be somewhat diminished. I do not agree this would be so.

The question of "sound" of a trade mark was discussed in *London Lubricants (1920) Ltd's Appn* 42 RPC 264 ('*London Lubricants Appn*') where at page 279 Sargant L J observed:

The only similarity in the word "Tripcastrid" to "Castrol" is in the letters composing the centre of the new word. The termination of the new word is different. Though I agree that, if it were the only difference, having regard to the termination of words, that might not alone be sufficient distinction. But the tendency of persons using the English language to slur the termination of words also has the effect necessarily that the beginning of words is accentuated in comparison, and, in my judgement, the first syllable of a word is, as a rule, far the most important for the purpose of distinction.

Taking into account the possibility of slurred pronunciation, as per *London Lubricants Appn*, supra, the stress is likely to be placed on the initial elements of each word - in this case, 'ST' and 'P'. These elements are most unlike aurally. In normal English pronunciation the letter combination 'ST' produces a checked sibilatory sound, whereas the letter 'P' produces a plosive or "breathed" sound. It is difficult to see how each could be confused for the other.

It is not sufficient for me to consider the trade marks in isolation. My attention must also be given to the circumstances of trade likely to surround use of those trade marks on the specified goods. It seems to me the goods, which are clothing, are for the most part unlikely to be ordered by telephone or over a counter by the spoken word. I am aware that neither set of goods is limited to high cost items. Nevertheless, I think it is likely, in most situations, the goods will be sold in a manner which affords the potential purchaser an opportunity for careful inspection and comparison with other similar goods. Under such circumstances, the visual impact of the respective marks is likely to be of considerable importance - as per *Taiwan Yamani Inc v Giorgio Armani S.p.A.* (1990) AIPC ¶90-644. Having said that, however, there will no doubt be some situations where the goods will be ordered by the spoken word. For the reasons set out above, I feel the aural differences between the trade marks are such that confusion is unlikely in such instances.

Ms Misko has referred to *Hugo Boss v World One*, supra, where Deputy Registrar Hardie found the aural impressions created by the two marks in question were likely to lead to confusion. Although some aspects are similar, the case in point is not identical. In *Hugo Boss v World One*, supra, the opponent provided expert linguistic evidence to establish the likelihood of confusion occurring between the trade marks. As well as clothing, the range of the application goods included toys and other class 28 goods. The notional use of the trade marks, and the circumstances in which the goods were likely to be sold, had then to be

regarded in the light of that broader scope. For these reasons, I believe that the present matter can be distinguished from *Hugo Boss v World One*.

Having applied the tests set out in *Shell v Esso* and *Pianotist's Appn*, both *supra*, I consider the trade marks are not deceptively similar. Both the visual and aural impressions created by the respective trade marks are sufficiently different so as to be unlikely to cause confusion in the minds of potential purchasers.

In summary, I find the applicant's trade mark, STRADA, is neither substantially identical nor deceptively similar to the applicant's trade marks, PRADA, and that the opposition based on the ground of section 44 has not been established.

Section 58

Section 58 reads:

Applicant not owner of trade mark

58. 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.

To establish this ground, the opponent would need to show prior use of the same, or of a substantially identical trade mark, for the same goods and services in Australia.

The opponent's evidence refers to earlier use of the trade mark PRADA. There is no reference to earlier use in respect of any other trade mark. As set out in my reasons under section 44, I do not find the applicant's trade mark, STRADA, and the opponent's trade marks, PRADA, to be substantially identical. Accordingly, I find the opponent has been unsuccessful in establishing this ground.

Section 60

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.

For the opponent to be successful on this ground I must establish firstly that its marks are either substantially identical or deceptively similar to the applicant's trade mark. As set out in my reasons under section 44, I do not find the trade marks to be either substantially identical or deceptively similar. That being so, I find the opponent has not been successful in making out this ground.

Other grounds

The other grounds relied on by the opponent are "such other grounds as the Registrar of Trade Marks may see fit to allow, or by reasons of the special circumstances of the case".

In my capacity as the Registrar's delegate, I do not find the evidence submitted supports any other grounds for allowing the opposition, or that any special circumstances exist which would persuade me to refuse the applicant's trade mark.

Decision

I find the opponent has not been successful in establishing any of the grounds of opposition relied on. I therefore dismiss the opposition in its entirety. I direct that, on payment of the appropriate fees, and subject to any appeal from this decision, the applicant's trade mark may proceed to registration.

Costs

As the successful party, the applicant is entitled to costs. Accordingly, I award costs against the opponent at the official scale.

Frances Aarnio
Senior Examiner

23 April 2001