



TRADE MARKS ACT 1995

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

Re: Opposition by Time Warner Entertainment Company, LP to registration of trade mark application 797130(25) - VERONICA'S CLOSET- filed in the name of Cosmopolitan Enterprises Pty Limited.

Background

Cosmopolitan Enterprises Pty Limited (the applicant) filed application number 797130 on 15 June 1999, in respect of 'underwear, clothing, headgear, footwear' in class 25 of the *International Classification of Goods and Services* (Nice classification). The trade mark, which is the subject of the application, is shown below.

VERONICA'S CLOSET

The application proceeded to acceptance without objection from the examination section of the Trade Marks Office (TMO) and was advertised as accepted for registration in the *Australian Official Journal of Trade Marks* of 17 February 2000.

Time Warner Entertainment Company, LP opposed registration of the mark by filing a notice of opposition on 16 May 2000. This notice claimed specific opposition grounds under ss.41, 42, 58, 59 and 60 of the *Trade Marks Act 1995*. Another ground, which alleged a likelihood of deception or confusion being caused by any use of the applicant's mark, arguably falls under s.43. A general claim was also made by the opponent to cover any other ground 'contrary to the requirements for registration' under the Act. The opponent's evidence in the matter was filed and served by 16 February 2001. The applicant has chosen not to respond to the opposition.

The opponent produces a television comedy series with the title 'Veronica's Closet', broadcast over the Nine Network in Australia. The series centres on Veronica Chase, founder of a successful lingerie empire, as played by Kirstie Alley. The series began in 1997 and continued running on 'free to air' television beyond the date of the present application to late June 2000. As of the date of the opponent's evidence in support, being 16 February 2001, the series was being shown on 'Optus television cable tv'. During the first quarter of 1998 the opponent's television series was one of Australia's top rating shows - as evidenced by the figures of its third position in the weekly poll for the first week of March of that year with 2.6 million viewers. For the entire 1998 ratings period the program finished third in the 'Imported Comedy/Drama' category by attracting an average weekly audience of some 1.9 million viewers.

Following the usual expiration of time for the submission of evidence in answer to the opposition both parties were given the opportunity to be heard in the matter or to provide written submissions to support their case. Neither party has chosen either of these options and the matter has now been directed to me for decision on the written material held in this Office.

The Evidence

The opponent's evidence in support comprises a single declaration from Andros Chrysiliou, Attorney for the opponent. Mr Chrysiliou attests his knowledge of the opponent's operations in producing the television series and provides annexures 'AC1' to 'AC3' inclusive that show the broadcasting history and Australia-wide ratings of the program. They also contain a synopsis of the content of the series.

Discussion

From my reading of the notice of opposition, I believe that the opponent is relying on opposition grounds that are found under ss.41, 42, 43, 58, 59 and 60 of the Act.

I note that Section 17 of the Act defines a trade mark in the following terms:

What is a trade mark?

17. A *trade mark* is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

Note: For *sign* see section 6.

So far as the evidence shows, the opponent has not used the words VERONICA'S CLOSET as a trade mark. The words, as used by the opponent, are simply the title of the television series. No goods or services have actually been offered 'in the course of trade' by the opponent under the mark.

Justice McGarvie comments on trade mark use in *Settef SpA v Riv-Oland Marble Co (Vic) Pty Ltd* (1987) 10 IPR 402 at 415 with the words:

The cases establish that it is not necessary that there be an actual dealing in goods bearing the trade mark before there can be a local use of the mark as a trade mark. It may suffice that imported goods which have not actually reached Australia have been offered for sale in Australia under the mark (*Re Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 204-205) or that the mark has been used in an advertisement of the goods in the course of trade: In such cases, however, it is possible to identify an actual trade or offer to trade in the goods bearing the mark or an existing intention to offer or supply the goods bearing the mark in trade.

Using these tests, nowhere in the evidence has the opponent provided evidence of use of the words 'Veronica's Closet' as a trade mark. As ss.58 and 60 require that there be a mark that conflicts with the mark applied for, I find that neither of those two grounds of opposition have been established. The remaining grounds of opposition are those taken under ss.41, 42, 43 and 59. I will now focus on these grounds in the remainder of these reasons.

(a) Section 41 - Trade mark not distinguishing applicant's goods or services

The legislation here provides a ground for rejecting an application if the trade mark is not 'capable of distinguishing' the applicant's goods from the similar goods of other traders. Nothing has been put before me to support this ground. The mark has been found to be 'capable of distinguishing the applicant's goods' in the course of the examination process. The opponent has not raised any issue to prompt me to think otherwise.

I find that this ground of opposition has not been established.

(b) Trade mark scandalous or its use contrary to law

Here the legislation allows:

- 42.** An application for the registration of a trade mark must be rejected if:
- (a) the trade mark contains or consists of scandalous matter; or
 - (b) its use would be contrary to law.

Although this ground has been raised in the notice of opposition, in relation to s.42(b), the opponent has not directed me to, and I am not aware of, any specific law for which use of the mark by the applicant would be contrary. Thus, I find that this ground has not been made out.

(c) Section 43 - Trade mark likely to deceive or cause confusion

This section reads:

- 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.

In terms of opposition action under s.43, at the time that a trade mark application is made, it is necessary to consider two factors. These are: (1) whether or not the trade mark possesses a connotation, and (2) if so, is use of the mark by the applicant likely to deceive or cause confusion.

Before I consider these factors in the present circumstances I intend to briefly consider recent judicial comment on the term 'likelihood of deception or confusion'. I refer here to the words of Justice French in *Registrar of Trade Marks v Woolworths Limited*, 45 IPR 411, where he looks at the test outlined in *Re Smith Hayden and Co's Application* (1946) 63 RPC 97 at 101.8, in the light of the 1995 Act. Justice French comments:

It was put in his written submission that the test to be applied in considering likely deception or confusion may be stated as in *Re Smith Hayden and Co's Application* (1946) 63 RPC 97 at 101.8:

"Assuming a use by the proprietor of each of the cited trade marks in a normal and fair manner in respect of any of the goods and services covered by those registrations, is the court satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the applicant for registration (the respondent to this application) also uses its mark normally and fairly in respect of services covered by the proposed registration."

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.

Although this judgement concerned s.44, the above comments, concerning the application of the test for the words 'likelihood of deception or confusion', are equally applicable under s.43.

The concept of 'some connotation that the trade mark or a sign contained in the trade mark has' is a new notion to Australian trade mark law from the time of commencement of the 1995 Act.

A number of decisions have been issued dealing with a range of ideas of what can constitute a 'connotation' in a trade mark. The present circumstance involves an opposition in which the opponent produces a television series with the title 'Veronica's Closet'. Two earlier decisions have dealt with similar matters. I refer here to *Durkan v Twentieth Century Fox Film Corporation*, 47 IPR 651, (BRAVEHEART THE MUSICAL) and also to *Amalgamated Television Services Pty Limited v Sylvia Margaret Clissold*, (2000) AIPC ¶91-566 at 37,461, (HOME AND AWAY). The similarities to be found between these two earlier decisions and the present matters are that all three are titles of either films or television series. In the BRAVEHEART decision Deputy Registrar Hardie found, as I have here, that the opponent had not used the title as a trade mark.

Deputy Registrar Hardie, in BRAVEHEART, *supra*, makes the following observation:

The operation of section 43 does not, however, depend on the existence of a conflicting trade mark. The purpose of the section is to exclude from registration any trade mark which, in respect of the nominated goods or services, conveys a meaning which, in respect of those goods or services, is likely to deceive or confuse. This does not require the existence of a conflicting mark.

The connotation, if it exists, must be understood in the mark applied for. In describing the source of that connotation in the BRAVEHEART decision, the Deputy Registrar continues:

Since the release of the BRAVEHEART film, however, the word BRAVEHEART no longer remains unknown. On the undisputed evidence, BRAVEHEART now has significant currency as the name of one of the most successful films of late 1990s. That film has had exceptional critical and popular success and the publicity associated with its acclaim has also been exceptional. On this basis, I think it is very clear that

the trade mark BRAVEHEART THE MUSICAL, dominated as it is by the word BRAVEHEART, will openly give rise to a connotation of the film BRAVEHEART.

In his decision concerning the HOME AND AWAY trade mark, supra, at 37,470 Hearing Officer Forno observes:

.... evidence can reveal such a connotation. This can occur when it is convincingly shown that there is a perception, among people in an intended market, that a mark is so related to one party that use of the same mark by another will be deceptive and confusing because purchasers might incorrectly infer some sort of endorsement or relationship.

He then proceeds to point out why, for that particular set of facts, the mark has a connotation with the words:

Here, the opponent has said that, because both its mark and television show are so well known, then there is a connotation in the mark that the opponent has, in some way, given approval for, or has a connection with its use on goods specified in the present application. Although I have already found, in relation to the s.60 ground, that the opponent's reputation was not sufficient, *on its own*, to lead to deception and confusion, it has been shown to my satisfaction that the opponent has been sufficiently involved in the merchandising of goods bearing its mark, in relation to its television show so that the public might expect it to further develop this involvement along with current character merchandising practices.

At some point in time, neither BRAVEHEART THE MUSICAL nor HOME AND AWAY could have been considered to be trade marks that possessed a connotation. Those terms simply had no currency in the language. By the time that each of these decisions was made, however, both were found to possess a connotation. Where a word or a phrase gains notoriety or 'significant currency' in the sort of circumstances outlined above for a popular film or television series production, such success is not instantaneous.

The reasoning outlined in the BRAVEHEART and HOME AND AWAY decisions directs me to consider if the 'currency' of the words VERONICA'S CLOSET in bringing to mind the name or title of a particular work, is such that it would convince me that, in the intended market, use of the words as a trade mark 'will be deceptive and confusing because purchasers might incorrectly infer some sort of endorsement or relationship'.

The combination of words, VERONICA'S CLOSET, is not a usual phrase. Although it brings a simple group of ideas to the mind - 'a secret', 'a small private room' or 'a cupboard' possessed or owned by a person named Veronica, it does cause one to search the mind for a link to any other meaning. From this position, and also from the figures submitted in the

opponent's evidence of television audiences for the series, I believe that there will be a connotation for a section of the Australian community. However, I am not convinced that this degree of connotation will be sufficient to produce a likelihood of deception or confusion for a substantial number of persons.

Persons who do not know the television program will simply assume that the trade mark is a slightly unusual phrase in respect of the applicant's clothing goods, in particular lingerie. Of those who are sufficiently familiar with the program to have a passing thought that the applicant may have a link with the opponent, some persons will have just that - a passing thought - without concluding that there is a link. Some others of this group, however, will be deceived into assuming, incorrectly, that there is a link. Whilst it may be difficult to give an accurate estimate of the numbers deceived or confused, I do not believe that the notoriety or popular currency of this program is so great that there will be a significant level of such deception or confusion.

As per the test outlined by French J in the passage quoted from *Registrar v Woolworths* above, I would need to be 'satisfied that there was a reasonable likelihood of deception or confusion'. I am not. I do accept that there will be some level of deception or confusion but not sufficient, I believe, to mislead a substantial number of persons.

Thus, I find that this ground of opposition is not successful.

(d) Section 59 - Applicant not intending to use trade mark

Here the legislation allows:

59. The registration of a trade mark may be opposed on the ground that the applicant does not intend:

(a) to use, or authorise the use of, the trade mark in Australia; or

(b) to assign the trade mark to a body corporate for use by the body corporate in Australia;

in relation to the goods and/or services specified in the application.

Note: For *applicant* see section 6.

Despite the clear claim of this opposition ground in the notice of opposition, the opponent has not led any evidence or argument to shift the onus to the applicant. Thus, I find that this opposition ground has not been made out.

Conclusion

From the foregoing, I have found that none of the six grounds of opposition under the Act, as relied on by the opponent in the notice of opposition, have been established. Thus, I dismiss this opposition and direct that, on payment of the registration fee that this trade mark be registered, unless within 28 days of the date of this decision the Registrar is served with a notice of appeal. In such case, the application will not be registered pending the outcome of the appeal.

Don Nancarrow
Hearing Officer

6 September 2001