



TRADE MARKS ACT 1995

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

Re: Opposition by The Executors of the Estate Of Diana, Princess Of Wales (deceased) to registration of trade mark application number 804192 (Class 31) - DIANA'S LEGACY IN ROSES & DEVICE in the name of BONNIE MASTERSON .

Background

Bonnie Masterson ("the applicant") filed trade mark application 804192 on 18 August 1999. The applicant claims convention priority based on an application filed in the United States on 16 June 1999. The Australian Trade Marks Office advertised the application in the Official Journal on 6 January 2000 as having been accepted for registration. The accepted mark is as follows:



The goods specified for registration are "Live Roses" in Class 31.

The executors of the Estate of the late Princess, the Hon Frances Ruth Shand Kydd, the Hon Lady Elizabeth Sarah Lavinia McCorquodale and the Right Hon Richard John Carew Chartres ("the opponents") filed a Notice of Opposition to the registration of the mark on 18 February 2000. The Notice set out numerous grounds of opposition, however the grounds finally relied upon involve Sections 41, 43, 58 and 60 of the *Trade Marks Act 1995* respectively. The fifth ground relied upon the Registrar's (purported) general discretion to refuse registration pursuant to Section 55.

The applicant requested a hearing on 6 December 2000 and I heard the matter on 8 February 2001, in Melbourne. The opponents were represented by Professor Ricketson of counsel, instructed by Middletons Moore & Bevins. The applicant was represented by Mr Heerey of counsel, instructed by McMaster Oberin Arthur Robinson & Hedderwicks. Both parties provided written submissions, supported by oral argument.

Factual Background

Lady Diana Spencer became a member of the British Royal Family on her marriage to the Prince of Wales on 29 January 1981. Upon her marriage, her title became "Her Royal Highness, the Princess of Wales". Following her divorce in July 1996, she remained a member of the Royal Family, referred to as "Diana, Princess of Wales". The opponents submit that throughout her public life the Princess was commonly known as "Lady Di" or "Diana". From my own experience, I accept that this is true.

Following her death in August 1997, there was a public outpouring of grief. The grief was expressed in a variety of ways, including the use of floral arrangements placed by the public outside Kensington Palace.

As the result of her death, the "Diana, Princess of Wales Memorial Fund" ("the Memorial Fund") was set up. According to the evidence of Lady McCorquodale, the fund was established on 4 September 1997 with the object of perpetuating the Princess's memory and to receive and distribute spontaneous donations from the public. At the same time, the Estate of the late Princess recognised the potential fund-raising power that the Princess's name possessed. Accordingly, the Estate became pro-active in the protection and exploitation for charitable purposes of any intellectual property rights which may have arisen in the late Princess's name, image or reputation. Such steps included the petitioning of the High Court in the United Kingdom to vary the Princess's will to allow for the creation of a discretionary trust over any such intellectual property rights and the licensing of her name, likeness and reputation. The Memorial Fund is one such licensee.

The Evidence

Prior to the hearing, the opponents filed and served evidence in support of their opposition comprising statutory declarations of Sebastian Matthew White Hughes dated 12 July 2000, Andrew Charles Dobson dated 11 July 2000 and Lady Elizabeth Sarah Lavinia McCorquodale dated 12 July 2000.

On 8 August 2000, the applicant's solicitors wrote to the opponents' and stated that in accordance with Regulation 5.11 of the *Trade Marks Regulations 1995* ("the Regulations"), the applicant did not intend to rely on any evidence in answer to the opposition. A copy of this letter was filed with the Trade Marks Office on 31 October 2000. However, on the day prior to the hearing, 7 February 2001, the applicant's solicitors sent a facsimile to the Trade Marks Office, an application for an extension of time pursuant to Regulation 5.15(1) from 31 October 2000 to 7 February 2001 within which to serve evidence in answer to the opposition. The request was supported by a statutory declaration of Richard Julian Spencer Aarons dated 7 February 2001. The evidence in answer comprised a statutory declaration of Lt Colonel Kenneth Grapes dated 6 February 2001, and copies of both the Grapes declaration and the extension of time application were served on 7 February.

At the hearing the next day, the opponents indicated that they objected to the extension, having been unable to obtain any other instructions relating to the new evidence, such was the lateness of its service. Reg. 5.15 states:

Extension of period to serve evidence and service of further evidence

- (1) A party to the opposition proceedings may apply to the Registrar:
 - (a) for an extension of the period for serving a copy of the evidence under regulation 5.7, 5.10 or 5.12; or
 - (b) for permission to serve a copy of further evidence on the other party.
- (2) The Registrar may grant an application on reasonable terms specified by the Registrar.
- (3) The Registrar must not grant an application unless the Registrar:
 - (a) is reasonably satisfied that the applicant has served a copy of the application, and of any documents accompanying the application, on the other party; and
 - (b) has given the parties a reasonable opportunity to make representations concerning the application; and
 - (c) is reasonably satisfied that:
 - (i) in the case of an application to which paragraph (1) (a) applies - the extension of the period for serving a copy of the evidence; and
 - (ii) in the case of an application to which paragraph (1) (b) applies - permission to serve a copy of further evidence;
 is appropriate.
- (4) For the purposes of paragraph (3) (b), the representations may be made in writing or at a hearing or by such other means as the Registrar reasonably allows.
- (5) If the Registrar grants an application under paragraph (1) (b) on terms that include service of a copy of the further evidence within a specified period, a party to the opposition proceedings may apply to the Registrar for an extension of that period.
- (6) Subregulations (2), (3) and (4) apply to an application under subregulation (5).

In any event the opponents' counsel, Professor Ricketson, submitted that I had no discretion to admit the material into evidence pursuant to Regulation 5.15, because the applicant had

filed and served a notice indicating that they did not wish to file any evidence and the evidence was not "further evidence" as envisaged by Regulation 5.15.

I indicated that I was prepared to allow the hearing to proceed, but noted the opponents' objections and also their reservation of a right to obtain instructions and file material in answer to the new evidence. I granted a period of one month from the date of hearing for the opponents to file and serve any submissions or evidence on which it intended to rely for this purpose. The opponents filed and served written submissions and a second declaration of Mr Hughes within that time frame, on 8 March 2001.

On 29 March 2001, I informed the parties in writing that:

- (i) I had received the opponents' further material;
- (ii) I was prepared to allow the declaration of Mr Grapes into evidence and would provide my reasons for this in my final decision;
- (iii) I believed that the applicant had attempted to introduce other new "evidence" by way of submissions from the bar table and that I would deal with this in my final decision;
- (iv) the second Hughes Declaration would be admitted into evidence; and
- (v) I would not allow any further evidence in reply from the applicant in relation to the second Hughes declaration, but that I would allow the applicant to make further submissions on that declaration provided that they were filed by 13 April 2001.

The applicant filed written submissions on the declaration on 12 April 2001.

Evidence in Support

The thrust of the evidence in support comprising the declarations of Mr Hughes, Lady McCorquodale and Mr Dobson can be summarised as follows:

The late Princess was known throughout her public life as "Diana", "Lady Diana", "Princess Diana", or "Diana, Princess of Wales";

The Princess and her likeness were known throughout the world;

The Princess was known throughout the world for her charitable works during her life;

The charitable works have been continued after her death by her Estate and the Memorial Fund;

The words "Diana" and "Diana's Legacy" are widely associated with the late Princess;

The Princess, her name, the Estate and the Memorial Fund are well known in Australia;

The Estate owns all the intellectual property associated with the Princess, and, knowing that it is potentially valuable, has made substantial efforts to protect it;

The Estate's intention is to use the intellectual property for charitable purposes and to ensure that consumers are not misled regarding this;

A licensing arrangement exists between the Estate and the Memorial Fund;

Under the licence agreement, and with the prior approval of the Estate, the Memorial Fund has licensed a number of entities in Australia to sell items under what are referred to as the "well known trade marks of the Princess, the Estate and the Memorial Fund";

The applicant has been active in attempting to register marks related to the Princess around the world;

The applicant is not associated with the Estate or Memorial Fund in any way;

The applicant is exploiting the name of the late Princess without the authority of the Estate or the Memorial Fund; and

The actions of the applicant are offensive to the memory of the Princess and the purposes of the Memorial Fund.

A further declaration of Mr Dobson dated 6 January 2000 was filed as an exhibit to Lady McCorquodale's declaration. Most of the matters set out above were repeated. However, evidence was also provided regarding the way in which the Princess's name, likeness and reputation have been used in the United Kingdom and, to a more limited extent, throughout the world.

Evidence in Answer - Lt Colonel Kenneth Grapes dated 6 February 2001

Col. Grapes declares that he is the Director General of the Royal National Rose Society of the United Kingdom ("the Society"). The Society's patron is the Queen Mother, and it is a registered charity in the United Kingdom. The Society maintains an apparently well known rose garden. There are plans to develop a feature garden to commemorate the late Princess. The proposal has the support and encouragement of the Queen Mother. The applicant is Vice Patron of the Society, and has made what are described as significant financial contributions to the commemorative garden and the Society. Further, Colonel Grapes states that the applicant has entered into an agreement with the Society to donate funds from the sale of roses sold under trade mark application number 804192. No copy of the agreement is in evidence.

My reasons for allowing the declaration of Colonel Grapes into evidence are as follows.

On 7 February 2001, the applicant filed her application for an extension of time in which to serve evidence in answer. The application was supported by a statutory declaration dated 7 February 2001 by Mr Richard Aarons, the solicitor for the applicant. Mr Aarons explained that the material contained in Colonel Grapes' declaration had come to light in late December 2000. The notice of intention not to serve any evidence in answer had been served and filed in November 2000. Further, it was only upon meeting with counsel on 2 February 2001 that the potential relevance of the evidence of Colonel Grapes was realised. In particular, Mr Aaron stated that the declaration of Colonel Grapes was to be presented as evidence of "the charitable good deeds and good character of the applicant, and of the arrangements between the applicant and the Royal National Rose Society". Colonel Grapes swore his declaration on 6 February 2001. It was filed and served the next day.

The Trade Marks Office Draft Manual of Practice and Procedure sets out as follows:

The Registrar performs the function of an administrative tribunal and therefore exercises an administrative rather than a judicial role in matters arising from the administration of the Act (see *R v Quinn: Ex Parte Consolidated Foods Corporation* 1A IPR 537). A hearing before the Registrar is therefore not restricted by the formalities and rules which might be applicable to court actions. The proceedings are informal and the Registrar's paramount concern is that all parties concerned have adequate opportunity to present their case to the Registrar's delegate.

Under sub-reg 21.15(8), the Registrar is not bound by the strict rules of evidence, as are the courts. In the words of Lord Denning MR in *T.A. Miller Ltd v The Minister for Housing and Local Government*, [1969] RPC 91,

"A tribunal (of this kind) is master of its own procedure, provided that the rules of natural justice are applied. ... Tribunals are entitled to act on any material which is logically probative, even though it is not evidence in a court of law,.... Hearsay is clearly admissible before a tribunal. No doubt in admitting it, the tribunal must observe the rules of natural justice, but this does not mean that it must be tested by cross-examination. It only means that the tribunal must give the other side a fair opportunity of commenting on it and of contradicting it ... "

The manual also sets out the general tests to be applied in these matters. The tests that apply to an extension of time requested in the ordinary course of an opposition apply here, and I do not propose to distend this matter by repeating them. However, this request was entirely out of the usual, in that it was made so close to the hearing. In such stormy waters, the general principles that apply to further evidence are attractive, even though the material was not tendered as "further" evidence.

I found that the material was prima facie probative and of potential relevance to the matter which I have to decide. An obvious purpose of the opponents' evidence is to attempt to cast the opponents as the honest guardians of the public interest and any other claimants as usurpers. This is not, in view of the decision that I have finally reached, below, a key issue in establishing any of the grounds of opposition. However, I do not believe that evidence to the contrary should have been shut out where it was available and could, with adequate changes to procedures, come in without prejudice to the opponents.

The fact that the applicant served and filed a notice in November 2000 that it did not intend to rely on evidence in answer should not automatically bar her from obtaining an extension of time. To hold that it did so would be arbitrary and could have the consequence of keeping out evidence which became available only just prior to a hearing. This is not, in my opinion, the intention of the legislation. Regulation 5.11, introduced into the process in 1995, allows a party to give an indication of intention to forfeit an entitlement to serve and rely on evidence. This allows the matter to move forward to the next evidence stage without delay. The intention of the regulation, however, is to facilitate opposition procedures, not to irrevocably shut out evidence. There is nothing in the regulations to indicate that a Regulation 5.11 notice is unable to be rescinded. To hold that this could not be done would, moreover, be a real disincentive to any party contemplating giving such a notice.

Nor do I believe that the applicant's request for a hearing bars her from applying to extend time to serve evidence. Regulation 5.15 allows for the Registrar to extend time to admit evidence provided that the extension is, overall, appropriate.

In making such a decision at the time that had been appointed for a hearing, I was mindful that a reasonable opportunity must be allowed to the affected party to answer that evidence. In this regard, I have taken into account the written submissions of the opponents dated 8 March 2001. In the circumstances, I believe that if there had been prejudice caused to the opponents, that prejudice has been remedied by allowing time for the preparation and filing of evidence in reply, and in the award of costs, to which I will come below.

Evidence in Reply

In response to the matters raised by the declaration of Colonel Grapes, Mr Hughes provided a second declaration dated 8 March 2001. The thrust of the declaration was to deny any connection between the Royal National Rose Society of the UK ("the Society") and the Estate

and Memorial Fund except for the granting of a licence to the Society to manufacture, market and sell a variety of rose known as "England's Rose".

Further explanation of the general licensing arrangements was also provided. Licences are granted by the Memorial Fund with the prior approval of the Estate. To date, licences have been granted for a range of products. Mr Hughes states that some of these products are for sale via the internet and/or in Australia. Some evidence was provided of sales in Australia, but no indication was given of when the sales first took place.

Evidence was provided in the form of extracts of Australian newspaper articles in the period 3 September 1997 through 28 May 1999. Some of these articles refer to the authorisation of products by the Memorial Fund.

Mr Hughes also repeated the Estate's assertion that it owns all the intellectual property rights in the late Princess. Mr Hughes states that the Fund has never authorised any persons or licensees to take steps to register any trade marks which are referable to the late Princess, her name or likeness. Nor has the Fund authorised the Society to exercise any of the rights given to it under licence using the applicant's trade mark.

Finally, Mr Hughes repeats the assertions that that:

the applicant is attempting to profit from the memory of the late Princess without the authorisation of the Estate or the Memorial Fund;

the fund-raising activities of the Memorial Fund are well known in Australia as are its use of trade marks associated with the late Princess;

it would be inappropriate and exploitative for the applicant to be granted registration of the trade mark; and

that members of the public would be misled and deceived into believing that the applicant is in some way associated with the late Princess, the Estate or the fund to use the trade mark in Australia; and/or licensed, sponsored or endorsed by the late Princess, the Estate or the fund to use the trade mark in Australia.

Let me say, finally, that I have confined my deliberations to the material that is now formally in evidence, except where I have explicitly relied on what I believe are matters of general knowledge, to which I should properly have regard. I have excluded any additional and specific facts contained in Mr Heerey's extensive written submissions. Much of that contentious material is introduced by way of extensive extracts from a relevant decision in the United Kingdom. Where that decision turned on facts that are not in evidence in this proceeding, I have set them aside.

Submissions and Analysis

As set out above, the opponents abandoned most of the original grounds of opposition. However, they did continue to rely on the following grounds, and structured their submissions in the following order:

Ground (ii) Deceptive or Confusing Connotation (s43)

Section 43 reads:

Trade mark likely to deceive or cause confusion

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.

Section 43, when used in opposition to registration, requires an opponent to show that:

- (a) there is a connotation in the proposed mark or in one of its parts; and
- (b) because of this, the trade mark is likely, when in use, to deceive or cause confusion.

T.G.I. Friday's Australia Pty Ltd v TGI Friday's Inc, [2000] FCA 720, is the most recent authoritative decision on the meaning of "connotation". The case confirms that the connotation must be in the mark itself and cannot be determined as the result of external considerations, such as reputation.

(a) Connotation in the Mark

The opponents submit that there are five connotations contained within the mark (four singular and one composite) which are likely to deceive or cause confusion. The alleged connotations and the opponents' submissions in relation to them are as follows:

- (a) "*Diana's*" - that the late Princess was commonly, if not universally, referred to as "Diana" prior to her death. The opponents rely upon the matters set out in the statutory declarations of Lady McCorquodale and Mr Hughes to support this.
- (b) "*Legacy*" - that the Oxford English Dictionary defines "legacy" as a "gift left in a will or something handed down by a predecessor". When combined with the word "Diana", this indicates a clear connection with the late Princess.
- (c) "*Rose*" and "*Roses*" - that a "Princess of Wales" rose was available for fundraising purposes both before and after the Princess's death, marketed, apparently, by

the British Lung Foundation. Further, the rose is a symbol of England, and the Princess was, prior to her divorce, the presumptive Queen Consort of England.

(d) *The stylised "D"* - that the stylised "D" and the encircled rose in the centre of the proposed trade mark contain a connotation of the Princess, although Professor Ricketson admitted, at hearing, that this was "Perhaps not a direct connotation".

(e) That the words "*Diana's Legacy in Roses*" and the stylised "D" together convey a clear indication of the late Princess.

There is no evidence to suggest that a person in Australia would necessarily associate roses, or the "Princess of Wales" rose in particular, with the Princess. Even so, I am reasonably satisfied that the overall impression of the mark, limited to live roses, is one that evokes a memory of Princess Diana. In fact, Mr Heerey on behalf of the applicant, stated during his submissions that the applicant did not deny that the trade mark was a reference to the late Princess. Accordingly, I find that the trade mark does carry a connotation of the late Princess. However, without more, merely invoking a reference to a deceased celebrity cannot deceive or confuse.

(b) *Whether the connotation is likely to deceive or cause confusion*

The appropriate standard when testing for deception or confusion was recently set down by French J in *Registrar of Trade Marks v Woolworths* (1999) AIPC 91-499 at 39,695 (paragraph 43). In considering the phrase "likely to deceive or cause confusion", his Honour said:

The use of the word 'likely' in this context does not import a requirement that it be more probable than not that the mark has that effect. The probability of deception or confusion must be finite and non-trivial. There must be a 'real tangible danger of it occurring'.

The Trade Marks Office *Draft Manual of Practice and Procedure* Part 29 Paragraph 4 states as follows, in regard to s 43 prior to acceptance:

If the inclusion of the name or representation is likely to lead the ordinary buying public to the conclusion that the person whose name or representation appears in the trademark, has endorsed the product or services in some way, then a ground for rejection exists unless the applicant has permission to use the name or representation in the trade mark upon the product or in relation to the services specified in the application.

I believe that a similar approach is necessary in relation to that section when it is used as a basis for a ground of opposition. The question becomes: has a ground of opposition been established?

Professor Ricketson referred me to the cases of *Radio Corporation v Disney* (1937) 57 CLR 448, and *Sabrina Trade Mark* (1959) 29 AOJP 1988. Shortly stated, the decision in *Disney* recognised that the relevant characters' names were so closely associated in the public mind with the name of their owner that their use by another party was likely to cause deception when applied to radios. However, I believe that the *Disney* case can be distinguished from the present one. The characters in the *Disney* case were the invention and intellectual property of their owner. As characters, the trade marks did not exist before their creation by Disney.

In the present case, the Princess was a well-known public figure well before this application was filed. There is a complete lack of evidence of commercialisation of her name during her lifetime. This tends to confirm what I think is general knowledge, that members of the Royal family do not allow their names to be commercialised. There is nothing in the evidence that satisfies me that the Estate or Memorial Fund changed this position, at least as it existed in Australia, before the priority date.

As to the *Sabrina* case, I believe that the Deputy Registrar was probably swayed by the fact that, under the old legislation, the onus was quite notoriously on the applicant to negative the likelihood of deception or confusion. He said, emphasis and parenthesised material added:

I consider that the average purchaser would, when seeing the name Sabrina (a well-known English television personality) ... wonder whether the goods had any association with the stage personality. I think that many purchasers **might** consider that the person well-known by the name Sabrina had some direct association with the goods... .

The matter was not ultimately decided by reference to the likelihood of deception or confusion. Probably because of this, it is not entirely clear to what extent the Deputy Registrar was convinced that a real tangible risk was present. Nor is it clear that he saw the doubt in question as what has been called, in many cases over time, a reasonable doubt, present in the mind of a person who has been given cause to wonder, rather than one who is indulging in mere idle speculation.

The opponents submitted that, in the present case, it is clear that the Estate of the Princess, as the exclusive owner of all intellectual property related to the Princess, had carried out large-scale licensing of intellectual property rights relating to Princess Diana through the Memorial Fund. However, neither the opponents nor the declarants have provided any basis for this assertion and I am not satisfied that their asserted exclusive right exists. Even if it does, the Estate would still need to establish that the mark itself incorporates a connotation that the product to which it is applied has some sponsorship or approval by the Estate or the Memorial Fund. Again, there is no evidence before me that indicates that any person in Australia would assume that the trade mark connoted such sponsorship or approval. The newspaper articles exhibited as part of Mr Hughes' declaration merely show that an Australian reader might be aware that a Memorial Fund had been established, and that endorsed products might be available. However, this is not sufficient for me to find that the mark in question will give rise to a connotation of connection, sponsorship, approval or endorsement by the Estate or Memorial Fund. In fact, and as Mr Heerey submitted, the same articles may have the effect of negating any connotation which could have been raised by the mark, by pointing to the amount of unauthorised merchandising which was taking place.

Nor do I believe that the Internet search results or the books about the Princess, referred to in the first Hughes declaration, assist in this regard. With regard to the Internet searches, there is no indication that any of the searches identify sites which mention the Estate or the Memorial Fund. Where sites do contain such references, such as those contained in Exhibit SH6 to the second Hughes declaration, no details are provided of actual visits by Australians. It is not open to me to assume that a reasonable number of visitors to the site were Australians: *Advantage Rent-a-Car v Advantage Car Rentals Pty Ltd* [2000] ATMO 16 May 2000. In relation to the books, there is no mention at all of any apparent connection to the Estate or Memorial Fund.

The fact that there have been sales of authorised products in Australia is of no real assistance in the present case. The evidence indicates neither how nor whether these products were identified as "official", nor what constitutes the "well known trade marks of the Princess". Further, it is not apparent on the face of the evidence that any of the products were available in Australia, with or without an official endorsement, before the priority date.

Those things being so, it is now necessary for me to make my own assessment of what will be a typical person's knowledge of the late Princess, her Estate and/or the Memorial Fund and

what, consequently, they will be likely to make of the connotation that is present in the mark. I think it was common knowledge that there were fundraising activities conducted in memory of or in relation to the late Princess. I believe that consumers, when they see a product which relates in some way to a deceased celebrity such as the Princess, will do either or both of two things. Firstly, they may buy the product because it has a particular attribute. That attribute is likely to be the inclusion of the name or likeness of the celebrity. In such a case, the buyer's decision to purchase is not actually made on the basis that the product or service has a particular endorsement, approval or source.

If the buyer does purchase the product because of a supposed association or endorsement with a deceased celebrity, today's consumers are, I believe, likely enough to look for some evidence of such an association or endorsement. This is particularly so where the name is that of a deceased person who, during her life, appears to have carefully avoided the commercialisation of her name. She was, in this respect, apparently unlike those people who might be expected, in principle, to be likely to trade on a reputation. This is not a case where, in life, the person created a connotation linked directly to the goods. The Princess of Wales never was to roses what Stradivarius was to violins, for instance. Neither was she to roses what an actor and businessman such as Paul Hogan is to shoes¹ or souvenir shops², nor what a prominent sportsperson may be to sporting equipment. In my opinion, there is nothing in the mark itself to give the imprimatur of endorsement. No independent evidence, in either anecdotal or survey form, has been placed before me to contradict this finding.

I therefore find that no ground has been established under s 43.

Ground (v) Section 60 - Conflicting reputation

Section 60 reads:

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.

¹ Hogan v Pacific Dunlop Ltd 12 IPR 225

² Hogan v Koala Dundee Pty Ltd 12 IPR 508

To support this ground, the opponents must demonstrate the existence of a trade mark and then show that the trade mark had a reputation in Australia before the priority date. The issue of substantial identity or deceptive similarity (of the applied-for mark and the earlier trade mark) must be assessed in isolation from the question of reputation.

I am not satisfied that the opponents can show that there were relevant trade marks in existence, nor that they had acquired the requisite reputation in Australia prior to the relevant date.

The opponents sought to rely on:

- (i) the authorised use of the Princess's name during her lifetime for the promotion of the "Princess of Wales" rose (a trade mark apparently registered in England by the British Lung Foundation) and various charitable causes and events; and
- (ii) the use of the Princess's name and likeness following her death for various events, products and services, including the use of her signature on margarine products and a tribute CD, to establish trade mark use.

It is well established that a trade mark must be used as a "badge of origin". This was confirmed by Gummow J in *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 21 IPR 1 at 25:

... the primary function of a trade mark registered in Pt A or B of the register is that of distinguishing the commercial origin of goods or services sold under the mark. The registered mark serves to indicate, if not the actual origin of the goods or services, nor their quality as such, the origin of that quality in a particular business, whether known or unknown by name."

and by Kitto J in *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407 at 424-425:

With the aid of the definition of "trade mark" in s.6 of the Act, the adverbial expression may be expanded so that the question becomes whether, in the setting in which the particular pictures referred to were presented, they would have appeared to the television viewer as possessing the character of devices, or brands, which the appellant was using or proposing to use in relation to petrol for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the petrol and the appellant. Did they appear to be thrown on the screen as being marks for distinguishing Shell petrol from other petrol in the course of trade ?

It is also possible for a mark to have a secondary or derivative functions. However, these secondary or derivative functions are not a substitute for a valid trade mark function (in the

sense of a badge of origin). This was addressed by Gummow J in *Johnson v Sterling*, supra, at 25 where His Honour stated:

... a registered trade mark may serve secondary or derivative functions. But the fact that it does so does not detract from the importance of the mark's primary function. In his article "The Trademark Right: Consumer Protection or Monopoly" (1982) 72 Trademark Reporter 233 at 240-1, Mr Shanahan deals as follows with these further functions of trade marks:

"One is the descriptive or indicating function. When a customer orders 7 UP he does not expect to get sarsaparilla. He knows that he is going to get a particular sort of drink - so in that sense the mark has a kind of descriptive function. However, the mark is not simply a description. It indicates to all and sundry that the soda bearing the mark owes its formulation and quality to a particular organisation. It is therefore a trade mark. ...

The other secondary function is the so-called advertising or marketing function. Through advertising, through the allegiance of satisfied customers and, to some extent, through word of mouth, a business acquires a good will. It is the trade mark that symbolises that good will, and the trade mark thus becomes, by association, a potent marketing tool."

...

So it is ... that there may none the less be infringement where the defendant appropriates the trade mark to serve these secondary functions, provided one must add, there is use as a trade mark, that is to say, use to serve the primary function I have described.

The decision of Gummow J, while directed to alleged infringement through the "descriptive" use of the word CAPLETS, pointed out that the use of a mark as a trade mark does not automatically follow from its use for a secondary purpose.

There is little doubt that the attachment of the Princess's name or likeness to an event or product would serve a secondary function as described by Justice Gummow. However, I am not satisfied that the badge of origin test is satisfied. In relation to the events or the rose that used the Princess's title prior to her death, there was no evidence that the Princess herself was the organiser of the event, or connected with either the events or the roses in any way that amounts to a source or origin. In relation to use after her death, none of the products referred to is shown to have used the Princess's name to indicate any aspect of the origin of the goods. For instance, the use of the name, with that of the Memorial Fund, on the margarine containers was described as a thank-you to the relevant manufacturer for its sponsorship. Mr Dobson stated "that the public clearly consider[ed] the use of the Princess's name as an indication that the goods were supplied by or under the control of the Fund and/or the Estate", and "There is evidence that consumers expect her name to represent a guarantee that it is the

Estate or its authorised licensees which is the source of products and services bearing it...". However, he was speaking of the situation in the United Kingdom. There is simply no comparable evidence that such a situation exists in Australia. As Mr Dobson put it "It was after her death that her name became associated with the source of products bearing it, rather than merely descriptive or commemorative of her". Without such evidence that, in fact, a trade mark function is expected in Australia, it is very hard to see such use as trade mark use at all.

Similarly, the tribute CD, which included the Princess's name, was not a trade mark use. Rather, it was descriptive of the type of CD or an indication of its title. Certainly, a CD title will not generally operate as a trade mark. In relation to the balance of the products and events set out at pages 7 through 14 of the second Dobson declaration, they are all apparently manufactured and/or run by third parties. Use of the Princess's name or likeness on these products or in relation to the events is at best an indication of the likely destination of proceeds, or utilises only the secondary function of a trade mark described above.

Even if there was some use as a trade mark, I am not satisfied that the necessary reputation had spread to Australia. Most, if not all, of the events to which the Princess's name or likeness were attached were apparently held outside of Australia. There is no evidence that any of the events were even known here. Similarly, there is no evidence of any sales of "authorised" products in Australia, at least prior to the relevant date. The newspaper articles do not refer to the alleged trade marks.

The opponents submitted that the Australian courts are entitled to take account of the immediacy and sophistication of global communications networks in determining the existence and extent or reputation in Australia: *ConAgra Inc v McCain Foods (Aust) Pty Limited* (1992) 23 IPR 193. However, I note that the full comments of Lockhart J in that case on that point, at 233-4 [emphasis added] were:

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... A trader's reputation may be injured locally by many means. A trader may have a famous and well-known commodity, yet a person, totally unconnected with him, may in a country where the trader's goods are not sold and where he has no place of business nevertheless cause confusion in the marketplace and lead the consumers to believe that a business connection exists between the two. The local person may produce a product inferior in quality to the product of the overseas trader and this may taint irreparably the reputation of the original product and of its maker. The reality of modern international business is that contemporary consumers are not usually concerned about the actual location of the premises of a company or the site of its warehouse or manufacturing plant where the goods are produced, but they are concerned with maintenance of a high level of quality represented by internationally known and famous goods. The requirement in some of the cases that a very slight form of business activity is sufficient is really a somewhat artificial concept. **The real question is whether the owner of the goods has established a sufficient reputation with respect to his goods within the particular country** in order to acquire a sufficient level of consumer knowledge of the product and attraction for it to provide custom which, if lost, would likely to result in damage to him. **This is essentially a question of fact.**

I accept that the reputation of Princess Diana was well known here in Australia. However, there is no evidence that would suggest that it was likely that the typical Australian consumer was aware that the Princess had, during her lifetime, lent her name to the events or the product referred to by the opponents. Similarly, I have been shown no evidence that indicates that the opponents or any other person had established a reputation in a trade mark in Australia following the Princess's death. For instance, while the internet sites may have been available to Australians, there are no records indicating actual visits. Accordingly, as a question of fact, the opponents failed to meet their onus of proof.

As I do not believe that the opponents have satisfied either the trade mark or reputation elements of Section 60, I do not propose to make any finding in relation to deceptive similarity.

Ground (iii) Section 58 - Ownership

Section 58 says:

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

The question of ownership is a ground of opposition provided for under s 58. This provides specifically that any party may oppose registration of a trade mark on the ground that the applicant is not the owner of the trade mark. Normally, in determining prior ownership, it is implicit that there must be at least "substantial identity" in the proposed mark and the alleged earlier owner's mark before the claim can succeed: *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 120 ALR 495 at 513 per Gummow J. Here, the opponents conceded during the course of the Section 60 argument that there was no substantial identity in the proposed mark and any of the marks of the opponents. Therefore, in the normal course, this ground would not be made out.

However, the opponents submitted that there is an earlier threshold test to be applied in a Section 58 consideration. That test requires that there be some degree of authorship by the applicant. In the present case, the opponents submitted that there was no such authorship on the part of the applicant. Specifically, the opponents submitted that, as all the elements of the proposed trade mark were in the public domain, there could be no originality and therefore, no ownership. I cannot agree with this submission.

Further, the opponents suggested that as the applicant had attempted to hold out some affiliation with, or approval by, the opponents, that they had failed to come to their trade mark device with clean hands. Therefore, their authorship, and therefore their ownership, were fundamentally flawed. Again, I cannot agree with this submission. I believe that the applicant has done enough to create an original trade mark, and for the reasons set out above, has not fallen foul of suggesting some affiliation or approval.

Ground (i) Section 41 Incapable of distinguishing

I have noted the submissions of both parties on this issue. I find that the proposed mark has the necessary degree of inherent adaptation to distinguish. There is a sufficient amount of getup in the total mark and the phrase to ensure that other traders are not likely to desire to use it. Further, though the matter is not strictly one that falls within the ambit of s 41, I am not satisfied that the phrase used in the mark is one that is unlikely to distinguish the goods of the applicant from those of the Estate or Memorial Fund. The mark as a whole sufficiently differentiates the applicant's goods from the Estate's activities in relation to the will, and from charitable activities able to be carried forward following the death of the Princess.

Ground (x) Section 55 Registrar's Discretion

Section 55 says:

Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

- (a) to refuse to register the trade mark; or
- (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;

having regard to the extent (if any) to which any ground on which the application was opposed has been established.

The Section can only be utilised where a ground has been made out. Here, no ground has been made out. Therefore, I do not believe I have any discretion to refuse to register the trade mark.

Conclusion

I find that the opponents have failed to make out any ground of opposition. I direct that the trade mark may proceed to registration unless, within one month of the date of this decision, the Registrar is served with a copy of a notice of appeal.

Costs

Costs generally follow the event, and I direct that the opponents pay the applicant's costs, in terms of the official scale, subject to the following exception. I believe that the tardy way the applicant brought on her evidence in answer, which was of slight quantity and which ought to have come in at the proper time, disentitles her to any award for its preparation, or for the perusal, by her attorneys, of the opponent's evidence in reply thereto. The applicant will have to be content, in that respect, with having been able to bring on her evidence at all.

T. E. Williams
Hearing Officer
31 May 2001