



TRADE MARKS ACT 1995

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

Re: Opposition by eStar Online Trading Pty Ltd to registration of trade mark application 808624(35, 36) - ESTARONLINE- filed in the name of Estar Limited.

Background

On 28 September 1999, EStar Limited, ('the applicant') filed application to register the trade mark ESTARONLINE (which I read as ESTAR ON-LINE) in Classes 35 and 36 for the following services:

Advertising; business management; business administration; office functions; retail, wholesale and distribution of financial and monetary services (other than delivery and transportation), including the provision of such services over the Internet

Financial and monetary affairs.

The application claims a priority date of 17 September 1999 ('the priority date') by virtue of New Zealand trade mark applications 316370 and 316371 and the provisions of section 29 of the *Trade Marks Act 1995* ('the Act'), which allow:

29 Application for registration of trade mark whose registration has been sought in a Convention country—claim for priority

- (1) If:
 - (a) a person has made an application for the registration of a trade mark in one or more than one Convention country; and
 - (b) within 6 months after the day on which that application, or the first of those applications, was made, that person or another person (*successor in title*) of whom that person is a predecessor in title applies to the Registrar for the registration of the trade mark in respect of some or all of the goods and/or services in respect of which registration was sought in that country or those countries;

that person or that person's successor in title may, when filing the application, or within the prescribed period after filing the application but before the application is accepted, claim a right of priority for the registration of the trade mark in

respect of any or all of those goods and/or services in accordance with the regulations.

Following examination, the trade mark was advertised as accepted for registration in the *Australian Official Journal of Trade Marks* on 20 January 2000. On 20 April 2000, within the time allowed to do so by Part 5 of the *Trade Marks Regulations 1995*, eStar Online Trading Pty Limited ('the opponent') filed Notice of Opposition ('the Notice') to the registration of the trade mark. The grounds stated in the Notice are that:

1. The Trade Mark is not capable of distinguishing the applicant's goods in respect of which the Trade Mark is sought to be registered from the goods or services of other persons.
2. Use of the Trade Mark would be contrary to law.
3. Use of the Trade Mark would be likely to deceive or cause confusion because of some connotation that the Trade Mark or a sign contained in the Trade Mark has.
4. The Trade Mark is substantially identical with or deceptively similar to trade mark(s) registered by another person, or whose registration has been sought by another person, in respect of similar goods or closely related services.
5. The applicant is not the owner of the Trade Mark.
6. The applicant does not intend to use, or authorise the use of, the Trade Mark in Australia, or to assign the Trade Mark to a body corporate for use by the body corporate in Australia, in relation to any or all of the goods specified in the application for registration of the Trade Mark.
7. Use of the Trade Mark would be likely to deceive or cause confusion because the Trade Mark is substantially identical with or deceptively similar to a trade mark that before the application date of the Trade Mark had acquired a reputation in Australia.
8. The application for the Trade Mark, or a document filed in support of the application, was amended contrary to the Act.
9. The Registrar accepted the application for registration of the Trade Mark on the basis of evidence or representations that were false in material particulars.
10. The application for the Trade Mark should be refused as not complying otherwise with the Act.

The opponent has served and filed its evidence in support of the opposition. The applicant has not served or filed evidence in answer. Neither party has requested to be heard and, accordingly, the issue has come to me to determine in terms of section 55 of the Act which provides:

55 Decision

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.

Note: For *limitations* see section 6.

Having reviewed the evidence, I consider that it would support argument in terms of sections 58 and 60 of the Act. I do not believe that the evidence would support argument in terms of the other grounds in the Notice and now dismiss the opposition in terms of those other grounds.

The Evidence

The evidence in support of the opposition comprises a statutory declaration by Albert Yue-Ling Wong who is chief executive officer of the opponent.

Mr Wong says that on 2 December 1999 the opponent applied for registration of the trade mark ESTAR in Class 36 - application 815912. The application covers the following good/services:

Financial services; providing information in the fields of finance, investment, business, financial planning and investment strategy; online brokerage services in the fields of securities, stocks, shares, bonds, mutual funds, money market funds, commodities, futures, options and indices of any of them; investment account management; mutual fund investment services; educational services in the fields of finance, investment, business, financial planning, investment strategy, portfolio management, retirement planning, superannuation and money management.

Mr Wong avers that the opponent was founded in May 1999 to provide real-time on-line share trading services using a platform which allows share traders to have immediate access to the Australian Stock Exchange. The opponent was initially registered on 25 May 1999 as ESX Online Trading Pty Limited. At around the time of the founding of the opponent, Mr Wong avers that he coined the name ESTAR. The name is an acronym and stands for "Electronic Securities Trading And Research".

The declarant attests that at the time he thought of the name he had not decided on the exact format in which it would be used by the opponent. On 30 June 1999 the opponent registered

the business name "E-Star Electronic Securities". Annexed to the declaration and marked "AYW 1" is a copy of the Certificate of Business Name Registration issued by the New South Wales Department of Fair Trading.

The opponent started a website at www.estar.com.au in November 1999 which, says Mr Wong, required a considerable amount of preparation on the part of the opponent. From the time of the opponent's initial registration as a company in May 1999, to the time of the launch in November 1999, the opponent used the marks ESTAR and ESTAR ONLINE in preparing for the launch of the website and attracting interest and investment in the opponent's business.

Mr Wong says that there was considerable prior knowledge within the Australian financial and investment community of the opponent's business activities using the trade marks prior to the launch of the website in November 1999. During the period between May 1999 and November 1999 the opponent approached News Interactive Pty Limited, E-ventures Pty Limited, News Limited, National Australia Bank and The Daily Telegraph with reference to the trade mark, in order to ascertain whether those traders would be interested in investing in and/or promoting the opponent's business.

Mr Wong says that the opponent formally changed its company name to Estar Online Trading Pty Limited on 18 October 1999 and, on 2 November 1999, registered the domain name www.estar.com.au. Annexed to Mr Wong's declaration as "AYW 2" is a copy of a 'who is' extract showing details of the domain name registration.

On 8 November 1999 the opponent's website at www.estar.com.au was officially launched in Australia by Mr Steve Bracks, Premier of Victoria. The launch was the subject of considerable publicity. In August 2000 the opponent listed on the Australian Stock Exchange and changed its name to Estar Online Trading Limited.

Mr Wong exhibits to his declaration as "AYW 3", a copy of the historical company extract for the opponent which shows the date of company registration and the changes in name; "AYW 4" the opponent's annual report for the financial year ending 30 June 2000 which shows the opponents sales figures for that year; "AYW 5" a copy of the opponent's prospectus dated 4 July 2000.

Also exhibited to the declaration is a selection of newspaper and magazine articles concerning the opponent's activities. There is one published prior to the priority date:

Annexure	Date	Publication	Reference
AYW 6	27 July 1999	<i>The Sunday Telegraph</i>	"Beyond the future is the money boutique" - article concerning Albert Wong and Barton Capital. Refers to anticipated e-trading: "The business is currently implementing a strategy to develop online electronic trading and information throughout the Asian region".

The article does not mention the trade mark ESTAR.

In the year ending June 1999, the opponent had, says Mr Wong, expended nearly a quarter of a million dollars in advertising and promoting the launch of its trade mark and services offered under it.

Samples of advertising and promotional material are exhibited to Mr Wong's declaration.

A further article is attached to Mr Wong's declaration to support his suggestion that the applicant is an online music retailer named CDStar. The article does not make it plain that the applicant and CDStar are related companies – it does, however, make it plain that CDStar is related to a company called Estaronline Limited. Estaronline Limited is a company specialising in business to business, or B2B, internet solutions.

Reasons

Section 58 of the Act provides:

58 Applicant not owner of trade mark

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

In order to be the owner of a trade mark, a person must be the author of the trade mark and be the first person to have used it in respect of the same kind of thing. In *Shell Co. of Australia Ltd. v Rohm and Haas Co.* (1949) 78 CLR 601 Dixon J said, at paragraph 4 of his judgment:

Authorship of course includes claim through or under the author. But it involves the origination or first adoption of the word or design as and for a trade mark.

This is well brought out by the Victorian case of *Re Hicks's Trade Mark* (1897) 22 VLR 636 which was decided on legislation in much the same form as the English Act of 1875. Hicks had obtained registration of the word "Empress" for stoves. A stove, the design of which had been registered, had been sold under the name Empress by the predecessors in title of Metters Brothers. Metters Brothers moved to rectify the register by expunging Hicks's trade mark. For Hicks it was argued that prior user by him was unnecessary and that by registration he had made himself proprietor of the mark. In the course of the argument Holroyd J said: -

"A person cannot be properly registered unless he is the proprietor. Proprietor is the person who at the moment he makes application to be registered is entitled to the exclusive use of the name, whether he then or before publicly adopted it. A man cannot be said to have adopted a name if someone else has done so before him. Section 19 merely says that the act of applying is to be deemed equivalent to public user. No one could otherwise be entitled to registration as proprietor unless he had publicly used the trade name before. The section does not affect the fact that another person used the name first. The difficulty here is that although Hicks may have by virtue of his application publicly used the name, someone else publicly used it before him." (1897) 22 VLR 639 at 628.

In delivering the judgment of the court his Honour said: -

"For the reasons given by us in the course of the argument, we think this application to expunge Hicks's name from the register of trade marks as the proprietor of the word 'Empress' as a trade mark applied to stoves ought to be granted. In order to substantiate his application to be placed on the register for this word he must have claimed to be the proprietor, and the word 'proprietor' must be taken to mean the person entitled to the exclusive use of that name. If there is anyone else who would be interfered with by the registration of the word 'Empress' in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the register for that trade mark, and his name will be properly removed on the application of the person whose right of user was thereby disturbed" (1897) 22 VLR 640 at 628.

Further, in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 31 IPR 375 at 391, Gummow J, referring to *The Shell Co of Australia Ltd v Rohm and Haas Co* (1949) 78 CLR 601, said:

When the decision is understood in this way, it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical" as it appears in s62 (which is concerned with infringement) was discussed by Windeyer J in *The Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between the two marks.

Accordingly, what I am to decide is: whether the trade marks in question are substantially identical, whether the services are the same kind of thing and whether the opponent had authorship of the trade mark in Australia before the date of filing of the application.

Substantial identity

Substantial identity is to be gauged by a side by side comparison of the trade marks. In the words of Windeyer J in *The Shell Co. of Australia Ltd. v Esso Standard Oil (Australia) Ltd.* (1963) 109 CLR 407 at para 12:

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

The fact that trade marks are not exactly identical does not necessarily mean that they are not substantially identical. In *PB Foods Ltd v Malanda Dairy Foods Ltd* [1999] FCA 1602 (17 November 1999), Carr J observed, at paragraph 31:

Having said that, I consider that the essential feature of the trade mark is the word CHILL. When one considers the basic policy of the 1955 Act, it is the word CHILL which serves to denote the trade origin of the goods.

The word CHOC has, almost exclusively, different work to do. It describes the flavour of the goods. Registration is sought on the basis that that description will change with the flavour to COFFEE, VANILLA, STRAWBERRY and the like. Those words are (to borrow from a decision cited below) utterly descriptive.

I have had regard to the cases cited on behalf of the applicant where a mark consisting of two words has been compared with a mark consisting of one word. They included *Carnival Cruiselines* where one of the comparisons was between SITMAR'S FUNSHIP and FUN SHIP. In that case (at 513) Gummow J expressed the view that there would be no material distinction to be drawn between FUN SHIP and FUNSHIP or between the addition of the definite article or the use of the plural. However, FUN SHIP was a substantially different trade mark to SITMAR'S FUNSHIP and FAIRSTAR THE FUNSHIP. Mr Martin referred me to other decisions where marks consisting of two words were compared with a mark consisting of one word, many of which were not curial decisions. I will not refer to them all (they are collected at paragraph 8 of the applicant's outline of submissions). However, Mr Martin singled out a comparison between PLANET 2000 and PLANET in *Somers v Greenbelt Pacific Pty Ltd* (1998) 42 IPR 587 at 589 (a decision of a senior examiner of trade

marks). In that case the senior examiner held that despite the fact that the numeral "2000" added little inherent adaptation to distinguish the goods of the applicant from those of other traders, the marks PLANET and PLANET 2000 when placed side by side, had a clearly identifiable difference.

On the other hand, in *Microcom Pty Ltd v Microcom Systems Inc* (1998) 41 IPR 163 at 168 Hearing Officer Forno compared MICROCOM with MICROCOM NETWORKING PROTOCOL and said this:

"...I do not think that the additional words "Networking Protocol" are sufficient to differentiate the applicant's and opponent's marks. Those two words are utterly descriptive for some of the goods covered and add nothing to the mark. This is, I think, analogous to the situation where, say, the trade mark Rinso was being compared with another mark Rinso Washing Powder. Clearly, these marks are substantially the same. I think that any comparison between the present opponent's mark and that covered by No. 523656, [Microcom Networking Protocol] would lead to a conclusion that those marks are also substantially the same."

I note that in the above, in *Sitmar* (at 513) Gummow J expressed the view that there would be no material distinction to be drawn between the words FUN SHIP and FUNSHIP or between the addition of the definite article or the use of the plural.

With the above principles in mind, I believe that there is no material distinction to be drawn as to whether the applicant's trade mark is the words ESTARONLINE or ESTAR ON LINE and either may be used as the basis of comparison with the opponent's trade mark ESTAR. The words "on line" are, I consider, very much of the same genus as are the words "Networking Protocol" – they are fully descriptive of the services offered under the trade mark and can be discounted from the trade mark when making the comparison. In short, the trade marks, although non-identical, are substantially identical.

The Services

The services offered by both parties appear to be financial in nature and both offered by means of the Internet – the applicant's Class 35 specification of services refers to the financial nature of the services offered in that Class. The services are therefore the same kind of thing.

Authorship

The relevant date is the filing date for the application for registration of this trade mark: 28 September 1999. The evidence suggests that the opponent thought of the trade mark ESTAR in about May 1999. During the period between May 1999 and November 1999 the opponent approached News Interactive Pty Limited, E-ventures Pty Limited, News Limited,

National Australia Bank and The Daily Telegraph with reference to the trade mark, in order to ascertain whether those traders would be interested in investing in and/or promoting the opponent's business.

The question is whether this public use of the trade mark is sufficient to establish the opponent's authorship of the trade mark.

In *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* (1984) 156 CLR 414 at 432, Deane J held that the prior use which will suffice for this purpose, "is public use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods [or services] for the purpose of indicating or so as to indicate a connection in the course of trade." Deane J continued, at 433, "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. 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 goods bearing the mark in trade."

In a decision of Deputy Registrar Hardie, relating to services, *Sizzler Restaurants International Inc v Sabra International Pty Ltd* (1990) 20 IPR 331, the Deputy Registrar said of the preparatory work for the use of the trade mark SIZZLER:

I distinguish this use from the use found short in the *Moorgate* case. There, the court found it was not established that at the critical date there was an existing intention to offer or supply the goods bearing the mark in trade. There was no more than preliminary discussions and most notably, the choice of a trade mark was not yet settled. Here, I do not find that there were services which had been offered under the trade mark, but I do find that there was a fixed and existing intention to use the mark SIZZLER, that the market research and negotiations were much more than the preliminary discussions undertaken in the *Moorgate* case, and that by means of the market research and trade negotiations, the Sizzler Restaurants International had exposed its use of the trade mark SIZZLER to the public.

I believe that the preparations for the use of the trade mark by the opponent fall very much into the same category of preparation by Sizzler and that the opponent has established its authorship of the trade mark. The opponent states that it approached other traders with reference to the trade mark and promoted the services that were to be offered under the trade mark prior to the date of filing of this application. This statement remains unchallenged. I

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must state that the evidence could be much clearer on this point; however, it is unrefuted by the applicant and I am hesitant to act as an advocate on the applicant's behalf.

As the opponent had the authorship in Australia of a trade mark substantially identical to ESTARONLINE for the same kind of services prior to the filing of the application, the opposition succeeds in terms of section 58 of the Act and I must refuse to register the trade mark.

Having so decided, it is not necessary for me to consider the grounds under section 60 of the Act.

Decision

I refuse to register the trade mark the subject of this application as the opponent has established its ground under section 58 of the Act.

Costs

I have had no submission as to costs.

Ian Thompson
Hearing Officer

12 November 2001