



TRADE MARKS ACT 1995

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

Re: Opposition by Electra Consumer Products Limited to registration of trade mark application 844863(11) - **THE ELECTRA FYRE BY AGNEWS** - filed in the name of Agnews Pty Limited.

Background

Agnews Pty Limited (the applicant) filed application number 844863 in class 11 of the *International (Nice) Classification of Goods and Services* on 3 August 2000 in respect of 'electric coal fire heater; fan forced'. The application was accepted for registration without objection from the Trade Marks Office and duly advertised as accepted in the *Australian Official Journal of Trade Marks* of 8 March 2001. The trade mark for which the application is made is a word mark, **The Electra Fyre by Agnews**.

Electra Consumer Products Limited (the opponent) filed a notice of opposition to the registration of this mark on 24 April 2001. The only evidence in the matter is the opponent's evidence in support of the opposition that was served and filed by 24 August 2001.

The opponent company is based in Israel with a wholly owned Australian operating company managing their business interests in Australia. The main focus of the company is marketing air conditioners. This it does in 45 countries. The air conditioning units are for both heating and cooling purposes. The composite **ELECTRA** trade mark under which the opponent sells its air conditioners in Australia is as shown below. The opponent also has this trade mark registered in Australia under registration number 765729. A second application for this mark from the opponent, number 805452, lapsed without ever gaining registration. Details of both 765729 and 805452 are given below the representation of the mark.



Trade mark number	765729
Status	Registered/Protected
Class	11
Goods or services	Air conditioners and parts therefor
Priority date	25 June 1998

Trade mark number	805452
Status	Lapsed/Not Protected
Class	37
Goods or services	Service and maintenance of air conditioners, electric and electronic equipment
Filing date	30 August 1999

The opponent has sold air conditioners in Australia under this mark from some time in 1998. Sales in that year were in the hundreds of thousands of dollars, which escalated into millions in 1999 and tens of millions in 2000.

Both parties were offered the opportunity of being heard in the matter but declined. The file has now been directed to me, as a delegate of the Registrar, to decide the matter on the basis of the written material held by this Office.

The Evidence

The opponent's evidence in support of the opposition comprises a single declaration from Ashley Michael Pelman, legal representative for the opponent. This declaration sets out details of the opponent's marks that it alleges are in conflict with the applied-for mark. Mr Pelman also provides sales figures under the opponent's mark for the

calendar years from 1997 to 2000 inclusive and for 2001 up until 24 July. The declaration was made on 26 July 2001. Attached as exhibits to the Pelman declaration are three information brochures used in Australia in connection with sales of the opponent's goods under the **ELECTRA** mark. A video cassette showing a ten second television advertisement for the opponent's **ELECTRA** air conditioners was also submitted.

The applicant chose not to submit any evidence in answer to uphold its case.

Discussion

The opponent's notice of opposition directed me to grounds under ss.41, 43, 44 and 60 of the *Trade Marks Act 1995*. I will now consider those grounds in that order.

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

Relevant legislation here allows:

41.(1)

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (***designated goods or services***) from the goods or services of other persons.

Note: For *goods of a person* and *services of a person* see section 6.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

The opponent, under a banner of Section 41 in the notice of opposition, alleged:

The proposed mark is not capable of distinguishing the applicant's goods or services of other Electra.

The opponent has put nothing before me to substantiate that claim. The opponent's argument appears to be that the present applicant's mark is not capable of distinguishing the applicant's goods because it already distinguishes the opponent's goods. In an earlier decision, *Arnott's Biscuits Limited v Sharon Pechey and Peter Hand* [2000] ATMO 114, for the **ENJOY!** trade mark I made the following comment as the delegate of the Registrar in that matter:

The capability of a trade mark to distinguish the goods of a particular trader is not assessed by any comparison with the use that another trader is making, or has made, of a trade mark. It is assessed by a consideration of the mark in relation to the goods on which the mark is to be used. The legislation, in terms

of s.41, specifically looks at the mark itself for a determination of its capability to distinguish the goods or services as being those of a particular trader, per se - which particular trader is not at issue. The fact that another trader may make the claim that the mark distinguishes THEIR goods or services is not a matter for consideration under s.41 but, more correctly, under other provisions of the Act, such as s.60.

I believe that this trade mark is capable of distinguishing the applicant's goods from those of other traders. I find that the s.41 ground of opposition has not been made out.

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

Here the legislation allows:

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 *Explanatory Memorandum to the Trade Marks Bill 1995* states, in a commentary concerning grounds for rejecting an application, in respect of s.43:

Clauses 39 to 44

45. These clauses provide that an application for registration must be rejected if the trade mark because of some signification inherent to it, would be likely to deceive or cause confusion regarding a characteristic of the goods or services (clause 43).

The term 'connotation that the trade mark or a sign contained in the trade mark has' as found in s.43 has been discussed by Hearing Officer Forno in *Down to Earth (Victoria) Co-Operative Society Limited v Schmidt*, 41 IPR 632, at 644-45 with the words:

"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

1. 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 s.43 concentrate on the matter within the trade mark that could cause deception or confusion in the mind of the relevant buying public. For example, deception or confusion could arise in regard to the character of the services, or the implied endorsement or licence of services by a person or organisation.

Nothing occurs to me concerning the present trade mark, **THE ELECTRA FYRE BY AGNEWS**, that points to a secondary or implied meaning that would be likely to deceive or cause confusion. Nor has the opponent provided evidence or argument that would direct me to think otherwise.

Thus, I find that the s.43 ground has not been established.

(c) Section 44 - Identical etc. trade marks

Only sub-section (1) of s.44 finds application here. It reads:

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.

To succeed under this ground the opponent must be able to point to a trade mark with either similar goods or closely related services to the present application, with an earlier priority date and for which the applicant's mark is either substantially identical or deceptively similar.

The opponent has nominated two trade marks - numbers 765729(11) and 805452(37). Details for these trade marks are shown in the **Background** section above. I note that the second of these has lapsed and thus provides no barrier to this application in terms

of s.44. For 765729 the priority date is 25 June 1998. The priority date for the present application is 3 August 2000.

The goods for which the opponent's mark is registered are 'Air conditioners and parts therefor' in class 11. Such goods may operate to either heat or cool the environment. The applicant claims 'Electric coal fire heater; fan forced'.

In terms of s.44(1)(a)(i) above I must decide whether or not these two items are 'similar' goods. The definition of similar goods is outlined in s.14(1) of the Act as follows:

Definition of *similar goods* and *similar services*

14.(1) For the purposes of this Act, goods are **similar** to other goods:

- (a) if they are the same as the other goods: or
- (b) if they are of the same description as that of the other goods.

The concept of goods being 'of the same description' has been developed in several Court judgements under previous Australian legislation. Both s.25 of the *Trade Marks Act 1905* and s.33 of the *Trade Marks Act 1955* present provisions involving 'goods of the same description' that are substantially identical with s.44(1) and (2) of the current Act.

The High Court judgement in *Southern Cross Refrigerating Company v Toowoomba Foundry Pty Ltd*, (1954) 91 CLR 592 sets out the principles for a comparison of goods for similarity at 606:

There may be many matters to be considered apart from the inherent character of the goods in respect of which the application is made and some indication of what matters are relevant to this inquiry was given by *Romer J.* in *In re Jellinek's Application*¹. *Romer J.* thought it necessary to look beyond the nature of the goods in question and to compare not only their respective uses but also to examine the trade channels through which the commodities were bought and sold. Shortly after the decision in *Jellinek's Case* the Assistant-Comptroller elaborated on the observations of *Romer J.* in the following manner: "In arriving at a decision upon this issue the reported cases show that I have to take account of a number of factors, including in particular the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counters during the same seasons and to the same class or classes of customers, and whether by those engaged in their manufacture and distribution they are regarded as belonging to the same trade. In the case of *Jellinek's*

¹ (1946) 63 RPC 59

Application, Romer J. classified these various factors under three heads, viz., the nature of the goods, the uses thereof, and the trade channels through which they are bought and sold. No single consideration is conclusive in itself,

The goods of the present application are described as 'Electric coal fire heater; fan forced'. Many modern electric and gas domestic heaters are fitted with imitation logs to produce a more homely atmosphere. Such heating apparatus is described in advertising material with the terms 'gas log heaters' or 'electric log heaters'. I note that it is also possible to purchase an electric stove with a 'coal' or 'log' flame effect. The applicant's goods, from their description, would appear to be electric heaters that feature a hearth displaying imitation coal. I have no evidence from either party to assist me here but I cannot envisage a modern heater that requires electricity in order to operate that would also employ genuine coal.

This being the case, both air conditioners and fan forced electric coal fire heaters share a common purpose or use - that of heating dwellings or other premises. This is their primary reason for existence. Both also share a major aspect of their nature, being electrical goods. Other natural features are not so parallel. I expect that the items would have a quite different appearance. Both items are manufactured in factories, and may be purchased through outlets, that provide apparatus for heating purposes. I have, however, no evidence that these two items are both produced by a single manufacturer. The factory workers producing both sets of electrical goods would, I expect, be members of the same unions and require similar work skills and thus match the words of Romer J that 'those engaged in their manufacture ... are regarded as belonging to the same trade'. It may be, of course, that the number of manufacturers of fan forced electric coal fire heaters is too small for any meaningful judgement to be made on the issue. Thus, the matter of whether the trade channels are common does not clearly fall to the advantage of either party, although at the distribution end of the manufacturing process - where the ultimate consumer can be found and a greater effect on public perception would, therefore, be expected - the channels would appear to intersect. In recent years it has become popular for some businesses to trade in a particular line of goods, such as heaters, coolers and air conditioners, and be regarded as a specialist in that field. Such businesses offer a complete range of these products. The respective goods of the applicant and the opponent here would both be available from such a heating specialist outlet. The larger department stores would also stock both the applicant's goods and the

opponent's goods amongst either their electrical goods or their heating/cooling goods in reasonably close proximity to each other.

The choice of whether these goods are similar is not totally clear cut, with some indicators pointing to the goods being similar whilst some do not. Weighing up the above factors, however, leads me to conclude that the respective goods of both parties are of the same description. Not only do a majority of the relevant issues lead to a conclusion of similarity but also in my view, in this particular instance, they are the more compelling matters. In particular, both items are electrical goods that may be used as heaters and both, therefore, may be 'sold in the same shops over the same counters during the same seasons and to the same class or classes of customers'.

The remaining leg of s.44(1) for consideration is the similarity or otherwise of the respective trade marks. The mark applied for is **The Electra Fyre by Agnews** and the opponent's registered trade mark is shown below.



The opponent did not seriously contend that these marks are substantially identical. Nor do I believe them to be so.

The matter of deceptive similarity of trade marks, however, requires a different test². Justice Windeyer sets out this test with the words:

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's television exhibitions.

In relation to this test I must consider any possible avenue of confusion - be it visual, aural or contextual. The opponent's mark is simply the word **ELECTRA** with a device element that consists of three parallel stripes at 45° to the horizontal that cut part way across a disc. This device is not a recognisable shape of any physical object

² *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* 109 CLR 407 at 415

and, for a majority of the general population, would not be recalled as readily as the word **ELECTRA** in the mark. Thus, I believe that this word would not only be the most clearly remembered feature of the opponent's mark but would also be the usual way that the mark would be orally referenced. The applied for trade mark consists of the words **The Electra Fyre by Agnews**. This trade mark consists of five words and no device element. These differences are too extreme, in my view, to countenance possible visual or aural confusion between these marks. However, another possible means of confusion is outlined by Mr S. E. Chisholm, the Assistant-Comptroller, in *John Fitton & Co. Ltd's Application* 66 RPC 110 where he commented at 113:

With reference to the nature of the confusion alleged the evidence furnished on behalf of the Opponents by their trade declarants is directed not so much towards showing that the two marks 'Jests' and 'Easyjests' might themselves be confused either visually or orally, as towards establishing that confusion would result, owing to the presence of the common element 'Jest' in each mark, in traders and the public being induced to believe that the two sets of goods sold under the marks emanated from one and the same trade source.

So the question here is - would a prospective purchaser having previously seen the opponent's **ELECTRA** mark and now confronted with the applicant's mark believe both marks to emanate from the same trade source? The word 'Electra' is unusual and has no meaning other than as a name - the daughter of Agamemnon and Clytemnestra in Greek tragedy. It is a word that is central to the applicant's trade mark, **The Electra Fyre by Agnews**. Given that the goods involved are heaters, the use of the old English word, fyre does little to remove the word Electra from its predominant position in the opponent's mark. Some people may see the clever combination for the words '**Electra Fyre**' as coining the word 'electrifier' but I am not at all convinced that this would in general be a readily recognised combination. The words '**by Agnews**' are also not useful to differentiate the marks because no such identifier exists in the opponent's mark to know whether or not Agnews also produce those goods. I am of the opinion that because of the infrequent use of the word **ELECTRA** in the English language, as well as its lack of meaning other than as a name, that a majority of people would see these trade marks and conclude that 'the marks emanated from one and the same trade source'. Thus, I believe that the respective trade marks are deceptively similar.

From the above, I am satisfied of the opponent's allegation that trade mark number 765729 acts as a barrier to the present application in terms of s.44(1). Opposition under the s.44 ground, therefore, succeeds.

(d) Section 60 - Trade mark similar to trade mark that has acquired a reputation in Australia

Under this section the legislation allows:

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.

As I have previously found, in the above discussion concerning s.44, I believe that the mark applied for is deceptively similar to the **ELECTRA** mark relied on by the opponent.

The priority date for the present application is in this case the filing date in Australia, being 3 August 2000. As directed by s.60(a) of the Act I must next determine the reputation that had been acquired in its **ELECTRA** mark by the opponent by that date.

The opponent's evidence sets out sales figures for the Australian market under the mark from the calendar year of 1998. The figures show an impressive trend, from hundreds of thousands of dollars in 1998, to millions in 1999, to tens of millions in 2000. Judging by the further sales in 2001, I have no reason to doubt that the sales from January 2000 to the relevant date in August 2000 did not follow the same trend that had been shown in 1998 and 1999. I have no evidence before me of unit costs of the opponent's goods to gain some understanding of the actual numbers of sales in Australia or of the number of persons that may have come into contact with the mark. Nor do I have information that gives me any idea of the opponent's market share of either air conditioners or heating goods. Samples of advertising are exhibited to the Pelman declaration, in particular a videocassette of a short television advertisement used in 1999 and point of sale brochures. The video advertisement submitted by the opponent is only ten seconds long and merely highlights the trade mark. It is clearly

just part of either a much longer advertisement or is designed to follow an advertisement that had been featured earlier within a cluster of advertisements. The ten seconds of presentation provides no real information about the opponent's goods. The opponent also claims advertising by use of media other than television, although no samples were put before me in the evidence.

On the matter of assessing the reputation of a trade mark, Hearing Officer Thompson observed in *Hugo Boss AG v Jackson International Trading Company Kurt D Bruhl GmbH & Co KG*, 47 IPR 423 at 436:

[I]t is true that the assessment of the reputation of a trade mark goes far beyond mere examination of sales or turnover of goods sold under that trade mark and contemplation of the advertising and promotional figures.

As regards a trade mark, its reputation derives both from the quantum of sales under that mark and also the esteem, or image, projected by that trade mark. The quantum of sales, advertising and promotion contributes to the 'recognition' component of the trade mark's reputation. The credit, image and values projected by a trade mark attaches to the 'esteem' component of the reputation as do the public events and other trader's marks with which [the] owner of the trade marks in question chooses to associate the trade marks via sponsorships, cross-promotions, 'contra deals' and so forth.

It follows that a trade mark used in relation to goods with comparatively low sales may have a high and strong reputation by virtue of the high credit or esteem in which it is held or, conversely, that a trade mark which has very high sales may have a strong reputation notwithstanding the lack of esteem that attaches to it. The particular popular images, or sets of values, that attach to the trade mark are also, therefore, important parts of the reputation of the trade mark and may be as strong an associative force in the minds of the public as the association of the trade marks with the goods or services themselves.

Justice Kenny cited the above passage with approval in *McCormick & Co. v Mary McCormick*, [2000] FCA 1335, at paragraph 85. Although I accept that, based on sales figures alone, the opponent's mark has acquired some degree of notoriety, it is difficult from the evidentiary material before me to assess how far this element goes to establish a reputation in the mark. A gulf exists between a mark relied on by an opponent that is virtually unknown in the relevant market and one that has acquired a sufficient recognition so that use of the applicant's mark would produce deception or confusion amongst a substantial number of persons. How is familiarity of the opponent's mark perceived in the Australian market? What level of television and other advertising had been undertaken by 3 August 2000? Do the sales figures quoted actually represent sales of a small number of expensive units or a large number of

[12]

inexpensive units? Answers to questions such as this impact directly on my ability to weigh up consumer awareness of the opponent's mark - as is required for me to assess the reputation enjoyed by the mark to weigh up s.60.

I do not believe that the opponent has established that the mark has a reputation that could trigger s.60.

Thus, the ground of opposition under s.60 has not been made out.

Conclusion

From the foregoing, I have found that the opponent is successful under its s.44 ground of opposition. Thus, I refuse to register trade mark application number 844863.

Don Nancarrow
Hearing Officer
Trade Marks Hearings
19 April 2002