



TRADE MARKS ACT 1995

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

Re: Opposition by Ivolve Pty Ltd to registration of trade mark application 859491 (9 & 37) – **i-CONTROL** - filed in the name of H.P.M. Industries Pty Ltd.

DELEGATE:	Mary Skivington
REPRESENTATION:	Opponent: Mr Chris O'Meara, of counsel, instructed by Clayton Utz, lawyers. Applicant: Ms Julia Baird, of counsel, instructed by Griffith Hack, Patent and Trade Mark Attorneys.
DECISION:	Grounds of opposition under sections, 44, 58 and 60 not established. Costs awarded against the unsuccessful opponent.

Background

1. H.P.M. Industries Pty Ltd, ('the applicant'), applied on 5 December 2000 to register the trade mark **i-CONTROL** for goods in class 9 and services in class 37. The trade mark was advertised as accepted, under the provisions of subsection 41(5) of the *Trade Marks Act 1995*, ('the Act'), in the *Australian Official Journal of Trade Marks*, on 13 June 2002, for the following goods and services:

Class 9

Electrical apparatus for use in residential dwellings and commercial buildings, and electrical systems incorporating such apparatus for use in controlling electrical power distribution and data reticulation; including electrical wiring, electrical switches, electrical power outlets, electrical controllers (including programmable and remotely accessible controllers), relays, lighting control devices, proximity detectors, intruder detectors, security systems, fault condition indicating devices and alarms, electrical actuators for use in controlling actuation of dwelling or building services and electrical reticulation apparatus for use in the reticulation of dwelling or building services, none of the aforesaid being computer software.

Class 37

Installation, monitoring, maintenance and repair services relating to electrical systems for use in controlling electrical power distribution and reticulation in residential dwellings and commercial buildings.

- Ivolve Pty Ltd, ('the opponent'), filed notice of opposition to registration of the trade mark, on 13 September 2002, citing grounds of opposition under sections 42, 44, 58 and 60 of the Act. The opponent is the owner of trade mark registration number 857309 for the trade mark, ICONTROL. The specified goods of this registration are:

Class 9

Computer automation software for plant management, global process monitoring, information management and mobility, remote monitoring, multi-vendor support, equipment maintenance and commissioning, instrumentation, instrument calibration and maintenance, and wireless connectivity

- The evidentiary phases of the opposition process were duly completed and in July 2004 both parties applied to be heard. Initially the matter was set down for 12 August 2004 but this was subsequently adjourned to 21 December 2004 and as a delegate of the Registrar of Trade Marks I heard the matter in Canberra on that date.
- The opponent was represented by Mr Chris O'Meara, of counsel, instructed by Clayton Utz, lawyers. Ms Julia Baird, of counsel, instructed by Griffith Hack, Patent and Trade Mark Attorneys, represented the applicant.

The evidence

- The evidence comprises statutory declarations with exhibits as set out below.

Evidence in support

Date	Declarant	Exhibits
12 December 2002	Vivian Kim Parascos, Business Director of Ivolve Pty Ltd.(1)	A, B1 to B6, C, D, E1 to E2, F1 to F4 and G.

Evidence in answer

Date	Declarant	Exhibits
31 August 2003	David Hamilton Peaston, General Manager of HPM Technologies Pty limited, a wholly owned subsidiary of the applicant.	DHP-1 to DHP-4

Evidence in reply

Date	Declarant	Exhibits
10 June 2004	Vivian Kim Parascos, Business Director of Ivolve Pty Ltd. (2)	VKP-1 to VKP-15 (VKP-15 is the declaration of 17 November 2003 referred to below).
17 November 2003	Vivian Kim Parascos. (3)	VKP-1 to VKP-8.

6. In the evening of the day before the hearing the opponent sought permission by e-mail to serve further evidence. The further evidence was filed along with the request. Ms Baird did not have the opportunity to view the evidence until shortly before the hearing. Before proceeding with the main opposition I took submissions from both parties regarding the request for permission to serve further evidence and the evidence itself. I advised the parties that I required additional time to fully consider the matter and that if I decided to allow the further evidence the applicant would be granted additional time in which to respond. I decided to allow the statutory declaration, dated 20 December 2004, made by David Mark Eagles, which provides clarification of the date of first use by the opponent of its trade mark. I did not allow the statutory declarations of Bradley William Stemp and Malcolm Gavan Newman. I found that with the exercise of due diligence they could have been obtained well before the hearing date. Moreover, I was not satisfied that they would be of assistance in deciding the opposition. The applicant did not file evidence in response to the further evidence allowed.

Opponent's further evidence

Date	Declarant	Exhibits
20 December 2004	David Mark Eagles, Director Ivolve Pty Ltd	DME-1

Evidence in support – Vivien Kim Parascos, (1).

7. Ms Parascos declares that the opponent adopted its trade mark to conform with Ivolve's brand naming convention, that is, to use brand names beginning with the letter 'I'. Examples of this convention, she declares, are to be found in its products branded, *Isolate*, *InfoSite* and *Inspect*. She declares that the trade mark was first used

in September 2000. (Mr Eagles' declaration provides evidence of a slightly earlier date of first use in August 2000). Ms Parascos reports that the opponent was a finalist in the 2001 and 2002 Queensland IT&T Awards Expo in relation to its software product branded ICONTROL. Ms Parascos declares that although no goods bearing the trade mark have as yet been sold – the average cost of an individual ICONTROL item is \$20,000 - the trade mark has been widely promoted and advertised via brochures, fact sheets, advertising flyers and through articles in online publications and in trade journals such as *AusIndustry*, *FEN* and *PACE.*, The evidence shows that in use the opponent's trade mark appears as iCONTROL or with a stylized lower case letter 'i' appearing in a square over the word CONTROL in a larger square in a contrasting colour, the dot of the letter 'i' appearing in the larger square and in the same colour as the smaller square.

Evidence in answer – David Hamilton Peaston

8. Mr Peaston declares that the applicant has been a manufacturer and distributor of electrical products in Australia, New Zealand and many other countries for over 75 years. He reports that the applicant employs in excess of 1000 people, that it has a strong commitment to research and development, that it has won many prestigious awards including eight design awards and that each year it contributes substantially to the Australian community by way of sponsorship of entities such as the Starlight Foundation, International Rotary, the National Trust and Kidsafe.

9. Mr Peaston declares that the applicant is not in the business of developing and selling computer software. He avers that the applicant manufactures more than 700 products including power points, light switches, dimmers, switching devices, ceiling exhaust fans, lighting and home and building automation systems. Mr Peaston attests to first use of the trade mark on 21 May 2001, although 'the mark was adopted at least as early as August 2000'. He declares that when the applicant became aware of the opponent's trade mark in December 2000, it was assessed by the applicant that there would be no confusion because of the differences in the goods and their markets. Mr Peaston reports, however, that the applicant's building automation system does incorporate embedded software which allows the system to operate. Mr Peaston provides the advertising and sales figures for i-CONTROL goods and services and, given the short time of operation, I consider them to be substantial. The trade mark is

advertised and promoted at trade shows and via the Internet and advertisements and articles in trade journals and magazines.

Evidence in reply – Vivien Kim Parascos (2) & (3)

10. Ms Parascos describes the applicant as a small venture backed company which has been the recipient of a number of substantial government grants. She declares that while the original target market for the opponent's ICONCONTROL product was the mining and manufacturing industries, its expansion into other markets such as home automation is part of its development strategy. Ms Parascos declares that the opponent has begun marketing its product to the commercial building market in Australia and overseas. She declares her belief that there will be an increased likelihood of consumer confusion when the opponent markets its home automation product. Ms Parascos declares that the report prepared by Professor Neil Bergmann, Professor of Embedded Systems at the University of Queensland, who was engaged by the opponent to provide expert opinion on whether the opponent's and the applicant's 'goods are the same or deceptively or confusingly similar', supports a view that the parties' goods are similar because a key component of the applicant's product is computer automation software.
11. Exhibits VKP-8 to VKP-12 are further evidence declares Ms Parascos that the applicant describes its product as software. I do not agree. They are evidence, I consider, that the applicant in describing its product refers to incorporated software as a component part along with other component parts of the whole building automation system but not evidence that the applicant describes its product as software.
12. Exhibit VKP-15 is the third statutory declaration made by Ms Parascos on 17 November 2003. This declaration was provided in respect of the opponent's now registered trade mark, number 857309, to overcome a section 41 ground for rejection. It contains evidence of promotional materials for goods bearing the opponent's trade mark, news articles and a copy of a brochure.
13. Professor Bergmann's report states that the applicant's building automation system is comprised of sensors, actuators and controllers interconnected via wiring carrying encoded digital signals. Embedded within the system's controllers or control panels

is computer automation software which sends appropriate programmed commands to actuators in response to inputs from sensors. This software is a key component of the system which could not operate without it. Professor Bergmann believes the two products are confusingly similar and in illustration of this describes a situation where it is desired to remotely control the lighting of a building from a remote site via a computer on the Internet. In such a situation the applicant's product could be used to implement the building automation system and the remote control via the Internet PC could be implemented via the opponent's product which would connect to the networking capabilities of the applicant's product.

14. Professor Bergmann was asked to provide an expert opinion on whether the goods specified in class 9 of the opponent's registered trade mark 'are the same as or deceptively or confusingly similar to the goods' in the subject mark. He reports that he considered the similarity in the goods and finds them 'confusingly similar'. However his report shows that rather than comparing the opponent's *computer automation software* with the applicant's *electrical apparatus and systems* he compares the component parts of the applicant's building automation system with the opponent's software. He concludes that because one of these parts is software the applicant's building automation system as a whole is 'confusingly similar' to the opponent's software.

Opponent's further evidence – David Mark Eagles

15. Mr Eagles declares that he attended the Honeywell User Group Conference in Perth, from 27-29 August 2000 where he gave a presentation on the ICONTROL product. Exhibit DME-1 is a copy of the presentation. He declares the presentation was delivered to approximately 60 conference attendees. Mr Eagles declares that he gave out promotional material on the product to interested delegates. Thus first use of the opponent's trade mark occurred in the period 27-29 August 2000.

Grounds of Opposition

16. The opponent pressed grounds of opposition under sections 44, 58 and 60 of the Act. The remaining ground was not canvassed and I now find that the ground of opposition under section 42 of the Act has not been established.

Submissions and the law

Section 44

17. In order to establish a ground of opposition under the provisions of section 44 of the Act, the opponent must establish there is a substantially identical or deceptively similar trade mark application or registration, with an earlier priority date, in respect of similar goods or closely related services, in the name of a person other than the applicant.
18. Section 10 of the Act provides that a deceptively similar trade mark is one that so nearly resembles the other trade mark that it is likely to deceive or cause confusion.
19. Section 14 of the Act defines similar goods as goods that are the same as the other goods or of the same description as the other goods. Similar services are services that are the same as the other services or of the same description as the other services.
20. The Act provides no guidance in respect of closely related goods and services. However, guidance may be found cases such as *Caterpillar Loader Hire (Holdings) Pty Ltd v Caterpillar Tractor Co*, 1 IPR 265, where Lockhart J listed some examples of goods and closely related services. He said,

It is obvious that there is likely to be confusion if substantially the same or deceptively similar trade marks are used by different proprietors, one for goods and the other for services, where the goods and services are closely related. Examples that present practical difficulties are the sale of goods such as data processing equipment and the sale of programs for their operation; the sale of curtains and furnishing materials on the one hand, and the sewing of curtains on the other, as interior decorators often sell curtains and perform the service of sewing; the sale of clothes on the one hand and tailoring on the other because the service of custom tailoring is frequently provided in addition to the sale of ready-made clothes; and the sale of educational material on the one hand and educational services (language courses, home study programs) on the other.

21. French J in *Registrar of Trade Marks v Woolworths Ltd* 45 IPR 411, the *Metro* case, also considered this matter and said,

The relationships may, and perhaps in most cases will, be defined by the function of the service with respect to the goods. Services which provide

for the installation, operation, maintenance or repair of goods are likely to be treated as closely related to them. Television repair services in this sense are closely related to television sets as a class of goods. A trade mark used by a television repair service which resembles (to use the language of s 10) the trade mark used on a prominent brand of television sets could be deceptively similar for suggesting an association between the provider of the service and the manufacturer of the sets.

22. For the purposes of section 44 the opponent relied on its registered trade mark, 857309, which has an earlier priority date, 16 November 2000, than that of the subject application which was filed almost three weeks later on 5 December 2000.
23. Mr O'Meara submitted that the applicant's trade mark is substantially identical with the opponent's trade mark and in support of this claim cited Windeyer J in *Shell Co of Australia v Esso Standard Oil*, (1963) 109 CLR 407, at page 414, where he defined the tests for determining substantial identity, when he said,

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.

24. Ms Baird conceded that the applicant's trade mark is substantially identical with or deceptively similar to the opponent's trade mark.
25. Mr O'Meara claimed that the goods are 'the same kind of thing', per *Hicks' Trade Mark*, (1897) 22 VLR 636, because he alleged the goods of both parties are automation systems for buildings. He noted that the applicant's own evidence declares that the applicant's product contains computer software. He argued that even if there is a technical distinction between the goods the differences would not be apparent to customers. Mr O'Meara cited authorities such as *Southern Cross Refrigerating Co v Toowoomba Foundry Ltd*, (1954) 91 CLR 592, *Re Application by John Crowther & Sons (Milnsbridge) Ltd* (1948) 65 RPC 369, *Re Aussat Pty Ltd*, (1993) 27 IPR 309, *Bull SA v Micro Controls Ltd*, (1990) 19 IPR 299 and the *Metro* case, above in support of his claim that the applicant's goods are similar and its services closely related to the goods of the opponent. He argued that the goods have similar characteristics, are of matching technical complexity and are used by the same

consumers to control building systems by remote means: *Re Aussat Pty Ltd*, (1993) 27 IPR 309.

26. He further submitted that there has been no honest concurrent use of the applicant's trade mark. He said the applicant's use of its trade mark did not begin before the priority date of the application and that use of the mark after the priority date was not honest and that honesty of use is a prerequisite for registration under the provisions of subsection 44(3) of the Act. He noted that the applicant's evidence shows that the applicant became aware of the opponent's trade mark before it began using its trade mark and submitted that had the applicant acted with commercial honesty it would have sought to distinguish its trade mark from the opponent's. He said that the applicant's conduct in not so doing precluded any claim to registration based on the honest concurrent use provisions of the Act.
27. Ms Baird submitted that *Metro* case establishes that in order to found a ground of opposition under section 44 it is necessary to show that there a real tangible danger of deception and confusion occurring. She said that in comparing goods the factors to be taken into consideration are the nature of the goods including their origins and characteristics, the uses made of them and the trade channels through which they are bought and sold. She noted that per *Polo Textile Industries Pty Limited v Domestic Textile Corp. Pty Ltd*, (1993) 26 IPR 246, the expression 'goods of the same description' implies a relationship between the goods such that they would be seen by purchasers as having the same trade origin if sold under deceptively similar marks. She submitted that goods are not necessarily of the same description even when used in close association with each other: *Jellinek's Application*, (1946) 63 RPC 59. Insofar as closely related goods and services are concerned, Ms Baird said that if the public would not expect the same business to supply both the services and the goods, the two should not be considered closely related: *Winglide Pty Ltd v Corporate Express* (1999) 46 IPR 627. Ms Baird also referred to *Metro*, above, where French J said that the relationship in respect of closely related goods and services will generally be defined by the function of the service with respect to the goods.
28. Ms Baird submitted that the applicant's goods are limited to electrical goods for use in residential and commercial buildings and that computer software has specifically been excluded from the specification. Additionally, she said that the services of the subject

application are limited to services in respect of electrical systems in residential and commercial buildings. She submitted that although many goods may have an embedded software component it does not follow that such goods are similar to application software.

29. The tests for determining if goods are of the same description were defined in *Jellinek's Application*, above. The factors to be considered are the nature of the goods, the uses of the goods and the trade channels employed.
30. The opponent is a software development company that develops automation software for industrial plant management. The evidence indicates that ICONTROL software is being targeted at owners of major plants in factories and in the mining industry although the wording of the specification of the cited trade mark is sufficiently broadly worded to cover software for plant management in residential apartment buildings and has, moreover, indicated that it has an intention of expanding into other markets including home automation. I must consider the section 44 ground in relation to all of the goods covered by the opponent's registration: *Re Smith Hayden and Co's Application*, (1946) 63 RPC 97.
31. The applicant's goods are electrical items such as switches, wiring, power outlets, lighting control devices, intruder detectors and electrical actuators for use in controlling actuation of dwelling or building services and electrical reticulation apparatus for use in the reticulation of dwelling or building services. The goods include an electrical automation system which can be used for the control of lighting, access, security and energy management in buildings. The iCONTROL system does contain embedded software, however, the system is essentially an electrical system driven by its software.
32. The applicant's services are all services in respect of the installation, monitoring, maintenance and repair of the goods claimed.
33. The opponent's goods are created by computer programmers and information and communications technology specialists while the applicant's goods are developed by electricians and electrical engineers. A consumer needing a software solution would seek assistance from an information technology company, such as the opponent, but would not expect a company, such as the applicant's, specializing in electrical goods

to be able to develop or provide the software required. Likewise a consumer wanting to purchase electrical apparatus and systems would not expect to find such products through an information technology company. The origins of the goods and their subsequent trade channels are different.

34. Although the applicant's electrical systems contain encoded software which enables the electrical systems to work this is not enough to find that the goods are similar, that they are in fact 'the same kind of thing'. The Registrar's Delegate in *McDonalds Corporation v Macri Fruit Distributors Pty Limited*, (2000) AIPC 91-583, in discussing this issue said,

The test must be, to take the respective goods of both the opponent and the applicant, and to consider the question - are these items 'the same kind of thing?' Such a test must consider the nature of the goods - the essential or inherent characteristics of the goods.

35. A software program is a series of instructions devised by a computer programmer and stored within a computer or a system that tells the hardware how to process data in order to perform a particular task. The applicant's goods are commonplace items plus a sophisticated building automation system used for the provision and control of electrical power within buildings. I find that the essential natures of and the purposes for which the goods are used are different. I also find that the applicant's services, being services confined to those in respect of the applicant's goods are not closely related to the opponent's goods. This ground of opposition has not been established.

Section 58

36. Section 58 of the Act provides that 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 establish this ground, it is incumbent upon an opponent to show that the applicant is not the first user in trade in Australia of the trade mark. To do so, the opponent must show, that not only is the applied for trade mark substantially identical with the other trade mark, a matter which was admitted by the applicant, but that it is applied to the same kind of goods: *Re Hicks' Trade Mark* (1897) 22 VLR 636.

37. Mr O'Meara argued that the applicant's goods and services are 'the same kind of thing' claiming that both sets of goods are automation systems for buildings. I do not

agree with this statement. While the applicant deals in automation systems for buildings the opponent deals in computer automation software which I have already found to be different from the applicant's goods and services. Mr O'Meara argued that even if there is a technical distinction between the goods the difference would not be apparent to consumers. It is common knowledge that many modern goods contain encoded software and most consumers would be aware that the applicant's automation systems would contain software to drive the system but they would not consider that they were purchasing software. They would be purchasing a system that provides control of building lighting, security and access. While a finished product is the sum of its individual parts the natures, purposes and uses of each of the individual parts may be quite different so that they could not be described as being the same kind of thing as each other or the finished product. This ground of opposition has not been established.

Section 60

38. In order to satisfy a ground of opposition under the provisions of section 60 of the Act, the opponent must establish that the applied for trade mark is substantially identical with or deceptively similar to another trade mark that has acquired a reputation in Australia before the priority date of the applied for trade mark and, because of that reputation, use by the applicant of its trade mark, would be likely to deceive or cause confusion. Section 60 does not require the relevant goods or services to be the same or closely related nor does it require the trade mark on which the opponent relies to be registered or the subject of an application for registration although in this case the opponent relied on its registered trade mark which has an earlier priority date. As the respective trade marks are substantially identical it remains for me to decide if the opponent's trade mark had acquired the requisite reputation in Australia before the priority date of the application.
39. Mr O'Meara noted that Lockart J in *Conagra v McCain Foods (Aust) Pty Ltd*, (1992) 23 FCR 302 above said,

[R]eputation within the jurisdiction may be proved by a variety of means including advertisements on television, or radio or in magazines and newspapers within the forum. It may be established by showing constant travel of people between other countries and the forum, and that people

within the forum (whether residents there or persons simply visiting there from other countries) are exposed to the goods of the overseas owner

40. Lockhart J, in the same case, also said that the reputation in Australia of a trade mark cannot be assumed - it must still be established as a question of fact. The evidence shows that the opponent first used its trade mark in late August 2000. The opponent was a finalist in the 2001/2002 Queensland IT & T Awards EXPO in respect of its software product ICONTROL. The opponent has also been awarded a number of government development grants. These would indicate that the opponent is held in some esteem in the industry and is developing a valuable reputation. The evidence shows that since 2001 the opponent has advertised and promoted its ICONTROL trade mark via its corporate newsletters, fact sheets, features in the print media such as *AusIndustry*, *FEN* and *PACE* magazines, brochures and the Internet. The opponent had made no sales before the relevant date. I am satisfied that the opponent is developing a valuable reputation in its trade mark but I find that at the relevant date it did not have a reputation that would be likely to lead to deception and confusion if the applicant were to use its trade mark. This ground of opposition has not been established.

Decision

41. None of the grounds of opposition on which the opponent relied has been established. Accordingly I direct that the trade mark application may proceed to registration one month from the date of this decision. If the Registrar has been served with a notice of appeal before that time, I direct that registration shall not occur until the appeal has been decided or discontinued.

Costs

42. The applicant, H.P.M Industries Pty Ltd, has sought and is entitled to its costs in this

matter. I award costs, according to the official scale, against the unsuccessful opponent, Involve Pty Ltd.

Mary Skivington
Hearing Officer
Trade Marks Hearings
22 April 2005