



TRADE MARKS ACT 1995

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

Re: Application 896644(20) to register a trade mark by B & B Warehouse Sales Pty Ltd and opposition thereto by The Warehouse Ltd.

DELEGATE:	Ian Thompson
REPRESENTATION:	Applicant: Glen McGowan of counsel Opponent: Rob Webb of counsel
DECISION:	1. s52 proceedings – s41 – trade mark not inherently adapted to distinguish – evidence of acquired distinctiveness within geographical region.

Background

1. B& B warehouse Sales Pty Ltd ('the applicant') of Wagga Wagga, New South Wales, has filed application to register a trade mark, current details of which are:

App No: 896644
Filing Date: 30 November 2001
Goods: **Class: 35** Retail services offered by department stores and retail stores in respect of consumer goods including but not limited to clothing, footwear, headgear, clothing accessories, furniture, manchester, household and kitchen utensils, toys and glassware

THE WAREHOUSE

Trade Mark:

Endorsements:

Provisions of subsection 41(5) applied.
Provisions of subsection 44(4) applied.

2. The above endorsements reflect the lack of prima facie inherent distinctiveness in the trade mark and conflict with existing registrations (681438, 771311, 852214 and 852215) in the name of The Warehouse Ltd ('the opponent'). The applicant addressed these objections by submitting evidence of the use of the trade mark which included use before the priority dates of the above mentioned registrations of the opponent's trade marks.

3. Following acceptance of the trade mark for possible registration, the opponent opposed registration. The parties have served and filed evidence in relation to the proceedings in accordance with the *Trade Marks Act 1995* and regulations thereto.
4. The parties were heard at a hearing before me, as a delegate of the Registrar of Trade Marks on Monday 20 September 2004. Glen McGowan of counsel represented the applicant. Rob Webb of counsel represented the applicant.
5. The focus of proceedings was on the provisions of sections 44 and 60, with further submissions that went to the provisions of section 41 of the Act. Towards the end of proceedings I advised the parties that, in view of the lack of inherent distinctiveness of the words within the trade marks involved, the fact that the get-ups of the trade marks are quite different, that the get-ups had obviously been a strong factor in both the acceptances of the trade marks and their public recognition as such. And also because of the prior user of the applicant's trade mark, I had reservations about whether it was in either parties' interests to canvas these matters fully in a decision of the Registrar of Trade Marks.
6. Subsequent to the hearing the opponent has advised that it has withdrawn its grounds under section 44 and 60. The applicant has drawn my attention to an alleged lack of evidence on the part of the opponent that goes to section 41 of the Act. In view of this and the withdrawal of the grounds under section 44 and 60 of the Act the applicant has requested its costs in relation to the matter should the opposition be successful.
7. I will discuss the costs issues at the end of this decision if it becomes relevant and will discuss the evidence only as it may relate to section 41 now.

Evidence

8. The opponent has brought into evidence (obtained under an FOI request) the applicant's evidence of the use of the trade mark which was before the examiner – this is evidence of the use of the trade mark which was submitted to address the then existing ground for rejection under section 41. The opponent's evidence disputes some of that which goes to the use of the trade mark filed by the applicant during examination. The applicant addressed this evidence with a further declaration which was filed at the time of the hearing which I gave permission for the applicant to serve and file. Given the nature of the opposed trade mark and these

proceedings, this is evidence which goes to section 41 of the Act and the applicant must have been on notice that section 41 would be an issue which would be canvassed at the hearing.

9. The evidence which was before the examiner comprises two statutory declarations. The first is a declaration by John Geoffrey Bentley, a director of the applicant. The second of these declarations is by Marcus Ian Fowler, legal representative of the applicant. (There are two further declarations by Mr Bentley which were served and filed during the opposition proceedings).
10. The trade mark as filed was first used by the applicant in about March 1993 (Fowler) or 1991 (Bentley). The trade mark grew out of a number of shops which had been run by the applicant since 1986 which were known by various names such as the "Mildura Warehouse Centre", the "Wagga Warehouse Centre" and the "Dubbo Warehouse Centre".
11. Since either 1993 (Fowler) or 1991 (Bentley), each of the opponent's stores in Wagga, Mildura, Dubbo, and subsequently Bathurst and Griffith have been named according to the format "The Warehouse – Wagga" (etc). The applicant has an extensive marketing and advertising programme in the regions within which it has stores and its trade mark is well-known in those areas.
12. The applicant and the opponent reached settlement in now-settled court proceedings whereby the opponent will not operate stores in those above-named locations where the applicant has stores.
13. The evidence led by the opponent shows that the Griffith store of the applicant has subsequently closed.
14. The totality of the evidence shows that the applicant uses its trade mark more or less consistently in the 'cargo' font in which it appears on the application form. The dotted line which borders the trade mark appears more often than not but is not so consistently used by the applicant as is the 'cargo' font.
15. The applicant has spent substantial amounts on advertising and promoting its services performed under the trade mark, on radio, television and in print media and sponsorship/support of local sporting teams and charitable institutions.

Section 41

16. Section 41 provides a scheme for the assessment of whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons and provides for the registration of trade marks which lack inherent capacity to distinguish goods if they have or will become capable of distinguishing the goods, or have in fact become distinctive.
17. The scheme is discussed by Branson J in *Blount Inc v Registrar of Trade Marks* (1998) 80 FCR 50. The initial step in the assessment lies at subsection 41(3). To paraphrase that subsection, I am to, ‘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 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’.
18. In *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511, recently described as "probably the best known Australian authority on the notion conveyed by the phrase 'inherently adapted to distinguish'"¹. Kitto J noted:

“... the question whether a mark is adapted to distinguish [is to] be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives – in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess – will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it”.
19. ‘Warehouse’ sales, are in my general experience of the world, pervasive – even when the activities of the parties are set to one side. Traders use the word ‘warehouse’ to convey the fact that either they sell from a warehouse or that the prices at which they sell are cheaper than normal ‘high street’ or ‘shopping mall’ shops. The expression is one which is immediately understood by both the public and the trade and one which is very attractive for traders to use to extol their goods or services which are sold in such environments. In my consideration, the addition of the definite article adds nothing to the inherent distinctiveness of the expression.
20. I consider that the words ‘the warehouse’, per se, are devoid any inherent distinctiveness in relation to retail sales. If a trader is performing retail sales in a warehouse environment, the

¹ *Kenman Kandy Australia v Registrar of Trade Marks* (2002) AIPC 91-817

use of the word is almost inevitable if the trader is to accurately describe the services being offered. When the particular font and bordering around the trade mark are considered, the considerations, in my opinion, become those under section 41(5): neither the trade mark, the font, the border or the words have any inherent distinctiveness individually, but the reasons why another trader would need to use that particular combination are not as immediately obvious.

21. Put another way: the words ‘the warehouse’ per se are so lacking inherent distinctiveness that without evidence of factual distinctiveness of the unadorned words, the most any trader using the sign could hope for is to register the get-up in which the trade mark is used.
22. The opposed trade mark thus falls within the middle of those that might be considered under subsection 41(5).
23. The balance of subsection 41(5), which I have already in part paraphrased, allows:

[if the Registrar is still] unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use, of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken not to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons.

Note 1: For goods of a person and services of a person see section 6.

Note 2: Use of a trade mark by a predecessor in title of an applicant and an authorised use of a trade mark by another person are each taken to be use of the trade mark by the applicant (see subsections (1) and 7(3) and section 8).

24. What I am to consider is a balancing of the extent to which the trade mark is inherently adapted to distinguish the services of the applicant relative to the use of the trade mark of the

applicant and whether (because of the use) the trade mark does or will distinguish those services from the services of other traders.

25. To my mind, taking into consideration the extent to which the trade mark is inherently adapted to distinguish the services, the slight inconsistencies in the use of the trade mark and the extent to which the trade mark has been used by the applicant, I am satisfied that the trade mark as filed does distinguish the services of the applicant in the area in which it has been used. In short, the trade mark as filed has become factually distinctive in the areas in which it is used.
26. The applicant states that it is its intention to expand its operations and the use of the trade mark. It has been in negotiations to open retail outlets in other towns in regional Victoria and New South Wales.
27. I consider that the fact that the opposed trade mark has become factually distinctive in the areas in which it is used, considered along with the applicant's averred intentions to expand the use of the trade mark is a clear signal that the trade mark should be taken to be capable of distinguishing the services of the applicant in other areas of Australia.
28. The opponent has consequently not established its opposition.

Decision

29. Subject to the opponent notifying the Registrar of an appeal against my decision within one month of the date of this decision, the application may proceed to registration. If such appeal is notified and not withdrawn, the application should be dealt with as the Court directs.

Costs

30. As the applicant has been successful in these proceedings, I order costs against the opponent.

Ian Thompson
Hearing Officer
Trade Marks Hearings
6 December 2004