

TRADE MARKS ACT 1995

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

Re: Opposition by Red Bull GmbH to registration of trade mark application 936834(32) - **RED CARABAO** - filed in the name of Carabao Tawandang Co. Ltd.

DELEGATE:	Jock McDonagh
REPRESENTATION:	Opponent: David Yates of Allens Arthur Robinson, Attorneys Applicant: no representation, nor submissions
DECISION:	Section 52 opposition - grounds under sections 44 & 60 established – registration refused. Costs awarded against the applicant.

Background

1. The applicant, Carabao Tawandang Co. Ltd, applied to register the following trade mark:

Application Number: 936834

Priority date: 5 December 2002

Goods: **Class 32:** Energy drink (non-medicinal drink), mineral water, aerated water, non-alcoholic beverages, fruit juice, beer, soda, sport drinks

Trade Mark:



Advertised: 8 May 2003

2. The opponent, Red Bull GmbH, filed notice of opposition to the trade mark's registration on 23 July 2003. That notice effectively listed all of the available grounds of opposition provided in the *Trade Marks Act 1995* ("the Act").
3. Evidence in support, evidence in answer and evidence in reply were duly served and filed according the Act and regulations thereto.

4. The matter came to a hearing before me, as a delegate of the Registrar of Trade Marks, in Canberra on 10 May 2006. David Yates, solicitor, of Allens Arthur Robinson Patent & Trade Mark Attorneys, represented the opponent. The applicant was not represented at the hearing.





Evidence




5. The evidence relating to the opposition consists of the following declarations:

Declarant	Date declared	Exhibits	Known As
<i>Evidence in Support</i>			
Jennifer A. Power	21.10.03	A and B	Power
Claudia Wallman	13.02.04	CW-1 to CW-8	Wallman
Nick Bryden	19.02.04	NB-1 to NB-56	Bryden
<i>Evidence in Answer</i>			
Yeunyong Opakul	1.12.04	YO-1 to YO-8	Opakul
Michelle L Wilson	23.02.05	MLW-1 to MLW-3	Wilson
Stephen K Plymin	20.05.05	SKP-1 to SKP-4	Plymin
Lavinia J Strachan	25.05.05	LJS-1 & LJS-2	Strachan
<i>Evidence in Reply</i>			
James Cady	18.10.05	JC-1 to JC-7	Cady
Stephen H Downs	17.12.05	SHD-1 to SHD-4	Downs
David L Yates	21.12.05	DY-1 to DY-14	Yates

6. A large amount of evidence was filed in these proceedings. For the sake of brevity, I shall not detail all of it here. In following paragraphs, I shall summarise the gist of the key evidence. I shall refer to specific matters detailed in evidence as and when required in discussion of specific grounds of opposition.
7. The Power and Bryden declarations provide the following key details:
- there have been significant sales, promotion and marketing of opponent's goods (RED BULL® Energy Drink) before the priority date.
 - RED BULL® Energy Drink was developed to be an energy drink for use at times of increased mental or physical strain.
 - RED BULL® Energy Drink is sold from both on-premises and off-premises establishments and is generally drunk straight from the can or bottle.
 - RED BULL® Energy Drink is sold in Australia, and internationally, in a variety of outlets including supermarkets, convenience stores, service stations, cafes, restaurants, nightclubs and bars.
8. The Bryden declaration also lists a number of the opponent's Australian trade mark registrations that include class 32 goods. These are shown in the following table:

Reg'n No	Priority Date	Trade Mark	Class 32 Goods
-----------------	----------------------	-------------------	-----------------------

654166	1.09.94	RED BULL	Mineral and aerated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages
668835	14.02.95	Red Bull 	As for 654166
792345	27.04.99	RED BULL	Beer, mineral water and water containing carbon dioxide and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for use in preparing beverages
938141	21.02.02 (Convention)	Red Bull [®] 	Non-alcoholic beverages including refreshing beverages, energy drinks, whey beverages and isotonic beverages (hypertonic and hypotonic beverages, for sportsmen and women, adapted to their needs), malt-based alcoholic and non-alcoholic beverages, including beers, wheat beer, quality bottom-fermentation beer, bottom-fermentation beer, beers called porter, ale and stout; mineral and carbonated waters, fruit drinks and fruit juices; syrups, essences and other preparations for making beverages as well as effervescent tablets and powders for making non-alcoholic beverages and cocktails
792346	27.04.99		As for 792345
784011	27.10.98 (Convention)		Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages

828261	20.03.00		Non-alcoholic beverages including refreshing drinks, energy drinks, milk drinks in this class and isotonic (hyper- and hypotonic) drinks (for use and/or as required by athletes); beer, mineral water and aerated waters, fruit drinks and fruit juices, syrups and other preparations for making beverages as well as effervescent (sherbet) tablets and powders for drinks and non-alcoholic cocktails
867268	23.02.01		As for 828261
792254	23.04.99		As for 828261

9. The Wallman declaration provides a number of definitions of the word “carabao”, which is defined in English and English/Tagalog dictionaries as “water buffalo” and English/Spanish dictionaries as “buffalo”. It is suggested that as at the priority date a significant proportion of Australians spoke a language in which “carabao” is defined as “buffalo” or “water buffalo”. It was also stated that there are some 250,000 feral water buffalo in the Northern Territory.
10. The Opakul declaration is made by a director of the applicant. It gives a background to the adoption and use of the applicant’s trade mark in Thailand.
11. The Strachan declaration is made by a marketing psychologist consulted by the applicant’s solicitors. It highlights the differences in the competing marks and provides opinions relating to why consumers would remember them differently.

12. The Wilson declaration is made by an attorney employed by the applicant's trade mark attorneys. It exhibits an extract of an internet article about water buffalo in Australia, a photograph of a water buffalo in the Northern Territory, and a photograph of a child sitting on the back of a water buffalo that has its horns removed and a ring in its nose.
13. The Cady declaration is made by the opponent's in-house trade marks counsel, based in Austria, and provides essentially submissions in reply to the Opakul declaration, and exhibits a selection of correspondence, a copy of the New Zealand Registrar of Trade Mark's decision in similar opposition proceedings, and a printout from the US Patent and Trade Mark Office showing the applicant's mark as abandoned.
14. The Downes declaration provides contradictory psychological opinion to that of Ms Strachan. Dr Downes also agrees with some of Ms Strachan's opinions, especially relating to consumers tending to absorb the totals or 'gestalt' of packaging rather than the detail of individual elements.

Grounds of Opposition

15. The opponent advised that it was relying only on the grounds of opposition pursuant to sections 42, 44, 58, 59 and 60 of the Act. I dismiss the remaining grounds of opposition.
16. It is an element of both the section 44 and section 60 grounds of opposition that the mark is '*substantially identical with or deceptively similar to*' an opponent's mark. And the issue of substantial identity is also relevant to the section 58 ground. Therefore it will be convenient to consider this issue first.

Substantial Identity and Deceptive Similarity

17. In considering whether marks are '*substantially identical*', they are to 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 that comparison'

Shell Company (Aust) Limited v Esso Standard Oil (Aust) Limited (1961) 109 CLR 407 at 414-415.

18. The test to determine whether trade marks are '*deceptively similar*' is set out in *Shell Company v Esso* at 415:

'The marks are not now to be looked at side by side [as for substantial identity]. The issue is not abstract similarity, but deceptive similarity ... the comparison ... 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 impression that such persons would get from the defendant's [trade mark]'

19. The Court added at 416, that:

'[The] deceptiveness that is contemplated must result from similarity; but the likelihood of deception must be judged not by the degree of similarity alone, but by the effect of that similarity in all the circumstances.'

20. I am not satisfied that the applicant's trade mark is substantially identical with any of the opponent's trade marks as shown in paragraph 8 above. A side by side comparison provides an overall impression of dissimilarity due to significant aural and visual differences.

21. Despite the significant differences, however, the marks share the common concept of 'red' and the concept of a male bovine or bull, albeit a dead one in the case of the applicant's mark.

22. Energy drinks and products in the broader beverage category are purchased by consumers under conditions associated with lower levels of consumer involvement. The majority of consumers are not likely to recall the RED BULL and device mark or its individual elements exactly but rather to remember the mark as a gestalt or overall impression in which a combination of elements is likely to be the most important to recognition.

23. The word 'carabao', as used in the applicant's mark, is unlikely to be understood by the average Australian consumer who may either ignore the word altogether or who may rely on the image of the buffalo head to give the word some meaning.

24. Some trade marks which have features in common are seen to be different when viewed side by side. However, if the same idea is engendered by both trade marks and it is thought that some purchasers are likely to remember the trade marks by the idea

engendered rather than by the specific features of the trade marks, use of the trade marks may lead to confusion. (See *Jafferjee v. Scarlett*, (1937) 57 CLR 115).

25. I consider that an Australian consumer seeing the RED CARABAO mark on an energy drink or any carbonated non-alcoholic drink would assume that there was a connection in trade between the parties.
26. I am satisfied that the applicant's trade mark is deceptively similar to the opponent's trade marks 668835, 792254, 867268 and 938141.

Section 44 – Identical etc Trade Marks

27. To establish the section 44 ground, the opponent must establish all of the following:
 - ◆ At the priority date
 - ◆ there was a substantially identical or deceptively similar trade mark application or registration
 - ◆ in respect of similar goods or closely related services
 - ◆ in the name of a person other than the applicant.
28. I have already found that there are deceptively similar trade mark registrations in the name of the opponent. Each registration has an earlier priority date to that of the applicant.
29. It is obvious that there is a clear overlap between the applicant's goods and the opponent's goods.
30. I am satisfied that the opponent has established the section 44 ground.

Section 60 - Prior Reputation

31. To satisfy section 60, the opponent has the burden of establishing the following elements:
 - ◆ a pre-existing trade mark;
 - ◆ substantial identity or deceptive similarity between the applied for trade mark and the pre-existing trade mark;
 - ◆ the acquisition of a reputation in Australia by the pre-existing trade mark; and

- ◆ a likelihood that, because of that reputation, use of the applied for trade mark would be likely to deceive or cause confusion.

32. I have already determined that there are pre-existing deceptively similar trade marks.
33. The next question, in respect of the section 60 ground, is whether the opponent has shown a sufficient reputation in its trade mark to satisfy the requirements of subsection 60 (b), such that the reputation is sufficient that deception and confusion is likely. The reputation must be shown to have existed at the priority date.
34. Reputation in Australia cannot be assumed - it must still be established as a question of fact - per Lockhart J in *Conagra Inc v McCain Foods (Aust) Pty Ltd*, (1992) 23 FCR 302. It is not necessary to prove reputation by direct evidence of consumer appreciation; it is commonplace to infer reputation from a high volume of sales, together with substantial advertising and other promotions: *McCormick & Co Inc v McCormick* (2000) 51 IPR 102, at 129.
35. I am satisfied from the evidence of significant can/bottle sales figures, net sales revenue, and marketing revenue that the opponent has established the requisite reputation. I consider that because of that reputation, if the applicant were to use its RED CARABAO mark in Australia there is likelihood that a substantial number of persons would be deceived or confused.

Section 42 - Trade mark use contrary to law

36. Following the decision of Madgwick J in *Advantage Rent-a-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683, the Registrar is obliged, when assessing whether use would be contrary to law under section 42(b), to take into account the operation of laws and legislation other than the *Trade Marks Act 1995*. Here, the opponent alleges that use of the trade mark would constitute misleading or deceptive conduct to contrary to the *Trade Practices Act 1974* (“TPA”).
37. However, having already found that the opponent has established its sections 44 and 60 grounds, I do not consider it necessary to consider this ground.

Section 58 - Applicant not owner of trade mark

38. This section of the legislation reads:

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

Note: For *applicant* see section 6.

39. It is now well established law that, in order to succeed under this ground of opposition the opponent must establish three factors. These are:

(i) that the respective trade marks of applicant and opponent be either identical or substantially identical (*Carnival Cruise Lines Inc. v Sitmar Cruises Limited* 31 IPR 375, (1994) AIPC ¶91-049, (1994) 120 ALR 495);

(ii) that the respective goods of both parties be the 'same kind of thing' (*Re Hicks' Trade Mark* (1897) 22 VLR 636; 3 ALR 75); and

(iii) that the opponent has the earlier claim to ownership based on use prior to both the application to register and actual use of the mark by the applicant (*Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402 at 413 and *Re: Hicks's Trade Mark*, supra, at 639).

40. I have already determined that the respective trade marks of applicant and opponent are neither identical nor substantially identical. Therefore this ground cannot be made out. Therefore I dismiss this ground of opposition.

Section 59 - Applicant not intending to use trade mark

41. Having already found that the opponent has established its sections 44 and 60 grounds, I do not consider it necessary to consider this ground.

Conclusion and Decision

42. The opponent has established grounds of opposition on which it relied so that the opposition as a whole has been successful. Pursuant to section 55, I refuse to register application 936834.

Costs

43. The opponent has sought its costs in this matter. As the opponent has been successful in its opposition, I award costs against the applicant and direct that the applicant pay the costs of the opponent in accordance with the official scale.

Jock McDonagh
Hearing Officer
Trade Marks Hearings
18 July 2006