



## TRADE MARKS ACT 1995

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

Re: Opposition by Oxygen Fund Pty Ltd to registration of trade mark application 943156(36) - **OXYGEN HOME LOANS** - in the name of McGrath Oxygen Home Loans Pty Ltd.

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| <b>DELEGATE:</b>       | Mary Skivington  |
| <b>REPRESENTATION:</b> | <b>Opponent:</b> Neal Holliday of Lord & Company, Patent and Trade Mark Attorneys.<br><b>Applicant:</b> Angela Bowne of senior counsel instructed by Robinson Legal. |
| <b>DECISION:</b>       | Section 52 opposition – ground of opposition under section 58 established – registration refused. Costs awarded against the applicant.                               |

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#### **Background**

1. McGrath Logistics Pty Ltd filed trade mark application number 943156 to register the trade mark OXYGEN HOME LOANS, on 12 February 2003. The trade mark was subsequently assigned to McGrath Oxygen Home Loans Pty Ltd, who then became the applicant for registration of the trade mark. The application claimed services in class 36 as described below:

*Arranging of home loans, investment property loans and associated financial services including mortgage broking, mortgage lending and mortgage originating services.*

2. Acceptance of the application for possible registration was advertised in the *Australian Official Journal of Trade Marks* on 12 June 2003.
3. Oxygen Fund Pty Ltd, ('the opponent'), filed notice of opposition on 11 September 2003, citing nine grounds of opposition under the *Trade Marks Act 1995*, ('the Act').
4. Both parties served and filed evidence supporting their respective positions and in due course applied to be heard. The matter came to a hearing before me, as a delegate of the Registrar of Trade Marks, in Canberra on 10 March 2005. The opponent was

represented by Neal Holliday of Lord & Company, Patent and Trade Mark Attorneys. The applicant was represented by Angela Bowne of senior counsel instructed by Robinson Legal.

### **The evidence**

5. The evidence consists of the following declarations:

#### *Evidence in support*

| Declarant  | Dated     | Exhibits      | Known as       |
|--|-----------|---------------|----------------|
| James Peter Miorada,<br>Director of Oxygen Fund Pty Ltd. | 9.12.2003 | JPM-1 - JPM-7 | Miorada<br>(1) |

#### *Evidence in answer*

| Declarant  | Dated      | Exhibits   | Known as       |
|--|------------|------------|----------------|
| John Damien McGrath,<br>Director of McGrath Oxygen Home Loans Pty Limited. | 10.03.2004 | JM1 - JM23 | McGrath<br>(1) |

#### *Evidence in reply*

| Declarant  | Dated      | Exhibits | Known as       |
|--|------------|----------|----------------|
| James Peter Miorada,<br>Director of Oxygen Fund Pty Ltd. | 23.07.2004 | JPMA-1   | Miorada<br>(2) |

#### *Applicant's further evidence*

| Declarant  | Dated      | Exhibits    | Known as       |
|--|------------|-------------|----------------|
| John Damien McGrath,<br>Director of McGrath Oxygen Home Loans Pty Limited. | 29.11.2004 | JM24 – JM25 | McGrath<br>(2) |

#### *Opponent's further evidence*

| Declarant  | Dated     | Exhibits | Known as       |
|--|-----------|----------|----------------|
| James Peter Miorada,<br>Director of Oxygen Fund Pty Ltd. | 7.02.2005 |          | Miorada<br>(3) |

*Evidence in support – Miorada (1)*

6. Mr Miorada declares that he conceived the name Oxygen Home Loans in October 2000, with the intention of using OXYGEN in respect of a home loan product to be offered through UBS Mortgage Corporation Pty Ltd, a firm of mortgage brokers. He declares that the OXYGEN home loan product was approved by Macquarie Bank for clients of UBS Mortgage Corporation Pty Ltd in September 2002. He reports that on 8 October 2002 the first two Oxygen Home Loans were written. Mr Miorada declares that since October 2002 the opponent has continued to provide home loans under the OXYGEN trade mark. He declares the trade mark has been used in respect of home loans, primarily in Western Australia but also in Queensland, Tasmania, Victoria and New South Wales. Exhibit JPM-2 is a UBS brochure advertising home loan products including the opponent's OXYGEN product. Exhibit JPM-3 comprises a mortgage application form, copies of business cards, deposit and cash cards and drafts of letterhead paper. JPM-4 includes copies of invoices for stationery, some of which refer to OXYGEN O2 from October and November 2002.

*Evidence in answer – McGrath (1)*

7. Mr McGrath declares that the trade mark OXYGEN HOME LOANS was first suggested for a home loan product on 4 November 2002, (Exhibit JM1 refers). Mr McGrath declares he registered OXYGEN HOME LOANS as a business name in New South Wales on 15 November 2002 and in Queensland on 18 February 2003. He reports that in April 2003 a team was established to implement and monitor the establishment of the OXYGEN HOME LOANS business which was launched in June 2003. The trade mark has been promoted via use of the trade mark on stationery including mail out post cards, brochures, advertisements in *Space*, and *Home Front* which are McGrath publications, e-bulletins, and newsletters, via seminars and signage on vehicles.

*Evidence in reply – Miorada (2)*

8. Mr Miorada declares that the applicant's evidence establishes that there was no use of the subject mark prior to its filing date. He further declares that the applicant has known of the opponent's trade mark since July 2003. Exhibit JPMA-1 is a copy of a

letter dated 8 July 2003 from the opponent's agent, Lord & Company, to the applicant. This letter advises the applicant of the opponent's prior use of the word OXYGEN in respect of home loans and also advises the application will be opposed unless it is withdrawn. Mr Miorada again declares that use of his trade mark has been on a national level.

*Applicant's further evidence – McGrath (2)*

9. Mr McGrath in his second statutory declaration provides additional detail in respect of the advertising and promotion of OXYGEN HOME LOANS and details concerning the publication and distribution of *Space*, and *Home Front* in which the trade mark has been advertised continuously since 28 June 2003. Mr McGrath also provides details of the applicant's considerable expenditure on advertising and promotion of the trade mark. Mr McGrath reports that the OXYGEN HOME LOANS product holds loan origination accreditation with a number of lenders. Exhibit JM30 is a list of lenders.

*Opponent's further evidence – Miorada (3).*

10. In response to the applicant's further evidence Mr Miorada declares that the applicant has advertised and promoted its trade mark continuously since July 2003 in the knowledge that there was a significant risk that they were spending money on promoting a trade mark that they did not own.

**Grounds of opposition**

11. At the hearing Mr Holliday relied on only one ground of opposition namely that under section 58 of the Act. The remaining grounds were not pressed and I find in consequence they have not been established.

**Submissions and the law**

12. Section 58 of the Act provides that a trade mark application may be opposed on the ground that the applicant is not the owner of the trade mark.
13. In order to establish that the applicant is not the owner of the trade mark the opponent must establish that another person was the first user in Australia, of a trade mark in the

course of trade, that was at least substantially identical with the applied for trade mark and that the use was in respect of the same kind of goods or services. That the services of both parties are the same is not in dispute. Both deal in home loan services.

14. Gummow J, in *Carnival Cruise Lines Inc. v Sitmar Cruises Limited* 31 IPR 375, said in respect of substantially identical trade marks,

It requires a total impression of similarity to emerge from a comparison between the two marks. In a real sense a claim to proprietorship of the one extends to the other.

15. The marks in contention are shown below. The opponent uses its logo trade mark either with or without the words OXYGEN FUND alongside it .

OXYGEN HOME LOANS



16. The tests for substantial identity were defined by Windeyer J in *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 where 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.

17. Mr Holliday asserted that the words HOME LOANS in the applicant's mark are completely descriptive because they are the name of the services so that OXYGEN is the only element of the applicant's mark with trade mark significance. He said that likewise the only non-descriptive element of the opponent's trade mark is the word OXYGEN. He said that while the opponent does use the mark O2 OXYGEN it is clear that the O2 part adds little to the mark as it is simply another way of writing oxygen. He referred to the opponent's company name, Oxygen Fund Pty Ltd, its registered Business Name, OXYGEN HOME LOANS and domain name, *oxygenfund.com*, as being indicative that the word OXYGEN is the primary element of the mark used by the opponent. He argued that the trade marks are to all intents and purposes the same.

18. I agree with Mr Holliday that the words HOME LOANS in the applicant's trade mark are the name of services specified in the subject application and that the essential feature of the applicant's trade mark is the word OXYGEN. It is this word that serves to denote the origin of the services.
19. Ms Bowne submitted that the marks are not substantially identical. She argued that the word 'fund' transforms the word oxygen in to something quite different. She said 'fund' has a very particular connotation that is different from 'home loans'. The word fund is defined in the online version of the Macquarie Dictionary as 'a stock of money or pecuniary resources.' I consider that in the opponent's marks the word 'fund' refers to the source from which money may be withdrawn to provide home loans. In relation to the services of interest the word FUND, like the words, HOME LOANS is entirely descriptive. It is O2 and OXYGEN that are the essential features of the opponent's logo trade mark and where the opponent uses the words OXYGEN FUND it is the word OXYGEN that is the essential feature.
20. Ms Bowne argued that whether marks are substantially identical is not merely a matter of adding up and comparing the points of resemblance and dissimilarity per *Re William Bailey (Birmingham) Ltd's Trade Mark Application* (1935) 52 RPC 136 at 153 – it is the general effect of 'the respective wholes' per *Clark v Sharp* (1898) 15 RPC 141 at 146 and *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd* (2003) 132 FCR 326 at [53]. She said that in a comparison of the respective wholes the trade marks are clearly not substantially identical.
21. Ms Bowne submitted that O2 and the numeral 2002 are the dominant features of the opponent's trade mark and argued that the numeral 2002 serves to differentiate the marks. In support of her arguments Ms Bowne cited *Somers v Greenbelt Pacific Pty Ltd* (1998) 42 IPR 587 where it was held that PLANET 2000 and PLANET when placed side by side, had a clearly identifiable difference despite the fact that the numeral '2000' added little inherent adaptation to distinguish. The marks are further differentiated, she said, by the O2 with its strong chemical and scientific connotation.
22. However, I note that in *Microcom Pty Ltd v Microcom Systems Inc* (1998) 41 IPR 163 MICROCOM with MICROCOM NETWORKING PROTOCOL were found to be substantially identical. The Registrar's Delegate said,

[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.

23. And in *PB Foods v Malanda Dairy Food Ltd* 47 IPR 47, Carr J found that CHILL and CHOC CHILL were substantially identical. He found that the word CHILL served to denote the origin of the goods while the word CHOC served only to identify the flavour of the goods.
24. I think it is common knowledge that O<sub>2</sub> is the formula for oxygen and in the opponent's logo trade mark the writing in full of the word OXYGEN directly beneath it makes it abundantly clear that no other meaning is intended to be attached to this alphanumeric combination. OXYGEN, no matter how it is represented is inherently adapted to distinguish the services of providing home loans and other financial services. The word OXYGEN overwhelms the descriptive matter in the marks. It is this word, OXYGEN, that consumers will fix in the mind and it is by this word that the trade marks will be remembered and the services requested. There is no particular get-up in the marks that might serve to differentiate them. The words HOME LOANS and FUND are totally descriptive and the numeral 2002 merely refers to a particular year, is not distinctive and is likely to be ignored by consumers. I consider these latter features can be discounted in a side-by-side comparison. I find that although these marks are not identical they are substantially identical.
25. Mr Holliday argued that in terms of section 58, ownership of a trade mark is determined by who has first use of the mark as a trade mark in Australia in relation to the goods or services in question. He cited *Moorgate Tobacco Company Limited v Philip Morris Limited (No. 2)* (1984) 156 CLR 414 in which it was stated that:

The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of 'proprietor' of the mark 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 for the purpose of indicating or so as to indicate a connection in the course of trade between the goods with respect to which the mark is used and that person.

26. Mr Holliday argued that there is ample authority to support the view that even very limited use of a trade mark is sufficient to establish ownership. He observed that in *Moorgate*, above, it was stated that ‘the requisite use of the mark need not be sufficient to establish a local reputation.’ Mr Holliday argued that there is clear evidence that the opponent first used its trade mark in the course of trade in 2002, the first two loans being written on 8 October 2002 and that the applicant did not begin using its trade mark until 2003. He further submitted that while there is evidence of the applicant advertising its home loan services under the trade mark there is no evidence of actual sales.
27. Ms Bowne submitted that the evidence put forward by the opponent was unsatisfactory and insufficient to establish use of the opponent’s logo as a trade mark before the priority date of the subject application. She said that there was no evidence relating to the distribution of brochures before the priority date or at all, nor any evidence that the various documents, were distributed before the priority date or that they even came into existence before the priority date.
28. Mr Miorada declares that the opponent was set up to administer products under the OXYGEN trade mark offered by mortgage UBS Mortgage Corporation Pty Ltd, (‘UBS’). On 16 September 2002 the opponent’s name was changed to Oxygen Fund Pty Ltd. On 17 October 2002, Mr Miorada declares, he arranged to register the business name, OXYGEN HOME LOANS, Exhibit JPM-1 refers. Exhibit JPM-2 is a brochure advertising various loans including the opponent’s provided by UBS. Mr Miorada declares that this brochure was prepared in September 2002. He attests that the first OXYGEN home loan was written on 8 October 2002. He provides figures for the value of home loans provided under the trade mark. These appear to indicate that the actual number of loans made is quite modest. Exhibit JPM-3 contains cash and deposit cards and loan application documents all showing the opponent’s logo. It also contains drafts of proposed letterhead paper, one dated 16 September 2002 and the second 1 October 2002. The remaining documents in Exhibit JPM-3 are invoices which although billed to UBS, do in a number of instances refer to ‘Oxygen O2’. One dated 31 October 2002 and another dated 28 November 2002 are in respect of ‘Logo change from UBS to Oxygen O2’. Invoices dated 6 December 2002 and 11 December

2002 are respectively for alterations to UBS and Oxygen O2 stationery and for business cards and letterhead stationery.

29. The opponent's evidence is somewhat deficient in that there is no evidence other than Mr Miorada's declaration that Oxygen home loans were offered to consumers in October 2002 or that loans were written in that month. Again, other than in Mr Miorada's declaration, there is no documented evidence of when negotiations between the Macquarie Bank and the opponent took place, in respect of Oxygen home loans nor any evidence of when, how and where the advertising brochure was distributed and no evidence showing advertisements in *The West Australian*.
30. However, in *Buying Systems (Australia) Pty Ltd v Studio SRL* (1995) 30 IPR 517, Gummow J held that preparatory steps taken to use a trade mark coupled with an existing intention to offer or supply goods in trade constituted prior use. In that case the opponent had taken preparatory steps towards launching a new magazine, including offering advertising space, but had made no sales or offers to sell magazines. His Honour said at 520,

These steps amount to sufficient activity by the opponent to produce the result that the applicant for registration at the date of its application on 8 December 1983 could not accurately put itself forward as claiming to be proprietor of the relevant mark. The activities of the opponent were sufficient to constitute a relevant use of the mark in Australia for the purpose of indicating or so as to indicate a connection in the course of trade between it and the new magazine. This is not a case where those activities occurred without any existing intention to offer or supply the magazine in trade.

31. The Australian Securities & Investment Commission database provides evidence that the opponent did change its name to its present name on 16 September 2002. There is clear evidence that the opponent conceived the idea of OXYGEN HOME LOANS at least as early as 17 October 2002, see Exhibit JPM-1. Exhibit JPM-3 contains stationery showing the opponent's logo trade mark. The first draft of letterhead paper therein is dated September 2002 and the second draft is dated October 2002. Exhibit JPM-4 contains invoices for OXYGEN O2 stationery dated October and November 2002. This is clear documented evidence that the opponent had taken preparatory steps towards the offering of home loans under its trade mark. These steps were taken before the applicant had even begun its considerations on whether it would use OXYGEN as a trade mark I am satisfied that the steps taken by the opponent

constitute prior use of the trade mark. I consider that the advertising brochure is evidence of a readiness and intention, to use the trade mark. I am satisfied that the opponent is the owner of the trade mark.

### **Decision**

32. The opponent has succeeded in establishing its ground of opposition under section 58 of the Act. Therefore in accordance with section 55 of the Act, I refuse to register trade mark 943156.

### **Costs**

33. The opponent has sought its costs in this matter. I see no reason why costs should not follow the general rule of awarding costs against the successful party. I therefore award costs against the applicant and direct that the applicant pay the costs of the opponent in accordance with the Official Scale (Schedule 8 of the *Trade Marks Regulations 1995*).

Mary Skivington  
Hearing Officer  
Trade Marks Hearings  
8 June 2005