

TRADE MARKS ACT 1995

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

Re: Opposition by Pharm-A-Care Laboratories Pty Ltd to registration of trade mark application 956138(1, 5) - **NATURE'S WAY** - filed in the name of Pharm-A-Care Laboratories Pty Ltd

DELEGATE:	Jock McDonagh
REPRESENTATION:	Opponent: Stephen Burley of counsel, instructed by Clayton Utz Applicant: Ben Fitzpatrick of counsel, instructed by Davies Collison Cave
DECISION:	Section 52 opposition – ground under sections 42(b) & 60 not established; registration allowed. Costs awarded against the opponent.

Background

1. The applicant, Orica International IP Holdings Inc, applied to register the following trade mark:

Application Number: 956138
Priority date: 30 May 2003

Goods: **Class: 1** Fertilisers; manures; potting mixes; soil and conditioners; plant growth promoters
Class: 5 Pesticides, none being sold in or through pharmacies; fungicides for use on plants; herbicides; none of the foregoing being for use on or in relation to humans.

Trade Mark: NATURE'S WAY

Advertised: 2 October 2003

2. The opponent, Pharm-A-Care Laboratories Pty Ltd, filed notice of opposition to the trade mark's registration on 2 December 2003. That notice listed effectively 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. The applicant sought to serve and file further evidence, which I shall discuss later.


4. The matter came to a hearing before me, as a delegate of the Registrar of Trade Marks, in Canberra on 8 March 2006. Mr Stephen Burley of counsel instructed by Clayton Utz, solicitors, represented the opponent. Mr Ben Fitzpatrick of counsel, instructed by Davies Collison Cave, Attorneys, represented the applicant.


Evidence

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

Declarant	Date declared	Exhibits	Known As
<i>Evidence in Support</i>			
Michael David Halter	19.03.04	Annexures A to G	Halter
<i>Evidence in Answer</i>			
Dace Anita Johansons	16.11.04	DAJ-1 & DAJ-2	First Johansons
Laurence Thoo	16.11.04	LT-1	Thoo
Leanne Stokes	17.11.04	LS-1 & LS-2	Stokes
Dace Anita Johansons		DJ-1 to DJ-9	Second Johansons
Stephen Marty	28.02.05		Marty
David Jakobs	23.03.05		Jakobs
<i>Evidence in Reply</i>			
Natalie Murray-Jones	6.07.05	NM-1 to NM-13	First Murray-Jones
Toby Browne	4.10.05		Browne
Gavin Broome	29.09.05		Broome
Natalie Murray-Jones	4.10.05	NM-1 to NM-4	Second Murray-Jones

6. The evidence in support is provided by the Group Operations manager of the opponent. He has held that position since January 2000. He declares that the opponent is the owner of a number of trade marks including the following:

Trade Mark Number	Trade Mark	Class(es)	Priority Date
317329		Class: 5 Pharmaceuticals, including dietary and nutritional supplements, in particular, compositions containing vitamins and/or minerals and/or lipids and/or proteins and/or herbal extracts	14/04/1978

317330		Class: 3 Cosmetics, including skin and hair lotions, moisturising compositions, bases for make-up, facial skin peel, facial cleansers; essential oils; perfumery; being goods included in Cl. 3	14/04/1978
361605	NATURES WAY	Class: 5 Pharmaceuticals, including dietary and nutritional supplements, in particular, compositions containing vitamins and/or minerals and/or lipids and/or proteins and/or herbal extracts, being goods included in class 5	17/06/1981
361606	NATURES WAY	Class: 3 Cosmetics, including skin and hair lotions, moisturizing compositions, bases for make-up, facial skin peel, facial cleansers; essential oils, perfumery; being goods included in Cl. 3	17/06/1981

7. The Halter declaration gives details of the use and reputation of the opponent's marks.
8. The Johansons (both), Thoo, Stokes, Murray-Jones (both), and Browne declarations deal with the sale of goods within the classes for which registration is sought in physical and "online" supermarkets.
9. The Marty, Browne and Broome declarations deal with the sale of goods through pharmacies.
10. Prior to the hearing, and after the hearing date was set down, the opponent sought to serve and file further evidence. The evidence was essentially relating to the sale by the applicant of its products under the applied-for trade mark in New Zealand supermarkets.
11. After hearing submissions from the parties at the beginning of the hearing, and with the consent of the applicant through its counsel, I decided to allow the evidence in.

Grounds of Opposition

12. While the opponent had listed all available grounds of opposition in its notice, it had intended only to rely upon three at the hearing, namely sections 44, 59 and 60 of the Act. However, due to amendments to the statements of goods made by the applicant, it no longer pressed the sections 44 and 59 grounds.
13. Counsel for the opponent suggested that the amendment to the class 5 statement of goods went to trade channels rather than goods and posed the question that by limiting the class of goods to exclude certain premises carries with it an implication that the vendor will not treat equally retailers of goods. He wondered whether that would be a breach of the *Trade Practices Act 1975* (TPA) and thus contrary to law for the purposes of section 42(b) of the Act.
14. It is true to say that Branson J's comments in *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683, at [28] are authority for the proposition that the Registrar could seek legal advice regarding the TPA. However, the opponent bears the burden of persuasion and needs to do more than merely suggest that a course of action might breach the TPA.
15. I do not see how that the applicant's intention not to supply horticultural supplies to pharmacies could possibly amount to a restrictive trade practice prohibited by the TPA. The opponent made no submissions relating to which provisions of the TPA might be contravened. It has not made out this ground and I dismiss it.
16. As a matter of formality, I also dismiss the remaining grounds of opposition, save for that pursuant to section 60.
17. 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.

18. The applicable principles remain as set out in *Southern Cross Refrigerating Co. v Toowoomba Foundry Pty Limited* (1954) 91 CLR 592 per Kitto J at 594-5, save that the opponent bears the onus:
- (a) it is not necessary in order to find that a trade mark offends against the section to prove that there is an actual probability of deception leading to a passing off. While a mere possibility of confusion is not enough - for there must be a real, tangible danger of its occurring... it is sufficient if the result of the user of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough that the ordinary person entertains a reasonable doubt;
 - (b) in considering the probability of deception, all the surrounding circumstances have to be taken into consideration;
 - (c) the rights of the parties are to be determined as at the date of the application;
 - (d) the test is what the Applicant can do if it obtains registration.
19. The mark or marks relied upon need not be used in relation to similar goods or services (c.f. section 44): *Greenpeace Australia Pacific Limited v Taylor* [2004] ATMO 7 at [18]; (2004) AIPC 91-971; *Hugo Boss AG v Jackson International Trading Company* (1999) 47 IPR 423 at 435.
20. I am satisfied that the opponent's pre-existing trade marks were being used in Australia before the priority date.
21. 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.
22. Applying this test I find that the applicant's trade mark is not substantially identical to the opponent's pre-existing 317329 and 317330 marks, but that it is substantially identical to 361605 and 361606.

23. The tests for deceptive similarity lie in the words of Windeyer J in *Shell Company of Australia Ltd v ESSO Standard Oil (Australia) Ltd*, supra:

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. To quote Lord Radcliffe again (*de Cordova v Vick Chemical Co* (1951) 68 RPC 103; at 106):

The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him...It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

And in *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 at 658; Dixon and McTiernan JJ said:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same.

24. Applying the tests, I find that the applicant's mark is deceptively similar to each of the cited marks. At the hearing, counsel for the applicant conceded this issue.
25. The next question in respect of the section 60 ground, is whether the opponent has shown a sufficient reputation in its trade marks to satisfy the requirements of subsection 60(b). The reputation must be shown to have existed at the priority date.
26. 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*, (2001) 51 IPR 102 at 129.
27. I am satisfied that the opponent has a well established reputation in Australia, acquired by virtue of the duration and extent of use in Australia, of its various trade

marks in respect of complementary medicines. This was also accepted by counsel for the applicant. I find that this reputation was established before the priority date of the subject application. It remains for me to determine if, because of this reputation, use by the applicant of its trade mark would be likely to deceive or cause confusion.

28. To establish the ground of opposition under section 60 it is enough if there is a real, tangible danger of confusion amongst a number of persons. This degree of confusion may be less than that required to contravene s52 of the *Trade Practices Act 1974*.
29. Counsel for the opponent submitted that in these circumstances the relevant question to ask is whether a consumer with knowledge of the applicant's mark in respect of its goods would be likely to be caused to wonder whether there might be a connection between the goods on sale and the opponent's goods: *Southern Cross Refrigerating Company v Toowoomba Foundry Pty Ltd* (1953) 91 CLR 592 at 608. Regard may be had for the habits of consumers and the trade channels through which the goods or services may be supplied.
30. Counsel for the opponent further submitted that in the present case the relevant consumers may broadly be categorised as grocery and pharmacy shoppers with a particular interest in healthy living products. They are familiar with the nature's way mark as used by the opponent and recognise that it is an established brand. Products appearing on adjacent aisles with the same name will naturally cause confusion. Pesticides, fungicides and herbicides are typically packaged in similar containers to food products (albeit with different product information).
31. Counsel for the applicant submitted that the likelihood of deception or confusion is lessened when the relevant goods subject of the inquiry under section 60 are dissimilar in nature. The less related goods are in the marketplace, the less likelihood there is of the relevant consumers would be caused to wonder whether there was any connection between the respective goods.
32. The applicant also submitted that in order to satisfy its onus, the opponent must provide evidence that, at the relevant date, Australian consumers would have assumed the connection between the respective goods of the applicant and opponent.

33. The opponent has used its NATURES WAY trade mark, in conjunction with the logo device of a branching tree, in relation to complementary medicines sold principally in health food stores, and more recently in health food sections of supermarket chains. The range of the opponent's goods is purely for human use and consumption.
34. The applicant's fertilisers, manures, potting mixes, plant growth substances, and pesticides, fungicides and herbicides, none being for human use, are entirely different products to the complementary medicines sold by the opponent.
35. There is no evidence that the applicant's goods would be sold in close proximity to human dietary and nutritional supplements and alternative health supplements in the normal course of trade and looking at normal practices of manufacturers and retailers. Therefore, normal and fair use of the NATURE'S WAY mark in relation to goods covered by the amended application is not reasonably likely to cause deception and confusion.
36. Therefore, I dismiss this ground of opposition.

Decision

37. The opponent has not made out any of its grounds of opposition, thus the opposition fails.
38. 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

39. The applicant sought its costs. The general rule in awarding costs is that costs are usually awarded against the unsuccessful party, unless there is some conduct on the part of the successful party that would justify a departure from the general rule.
40. I see no reason why costs should not follow the general rule. I award costs against the opponent and direct that the opponent pay the costs of the applicant in accordance with the Official Scale (Schedule 8 of the Trade Marks Regulations 1995).

Jock McDonagh

Hearing Officer
Trade Marks Hearings
30 June 2006