



## TRADE MARKS ACT 1995

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

Re: Opposition by RICHARD JAMES PTY LTD to registration of trade mark application 959624(3, 14, 18, 21, 24, 25, 26, 35 and 43) - **PILGRIM and DEVICE** - filed in the name of GRANT OLVER INVESTMENTS PTY LTD.

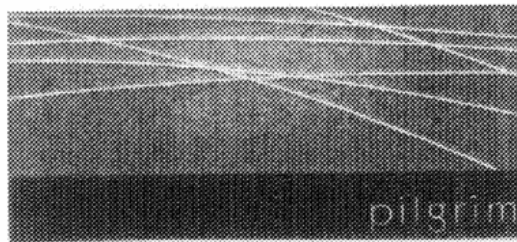
---

<b>DELEGATE:</b>	<b>Rachel Dunn</b>
<b>REPRESENTATION:</b>	<b>Opponent</b> Gerald Santucci of Sneddon Hall & Gallop Lawyers <b>Applicant</b> Maria Schwartz of Schwartz Barristers & Solicitors
<b>DECISION:</b>	<b>Opposition made out on section 44, however trade mark able to be registered under 'other circumstances'. Each party to bear their own costs.</b>

---

#### **Background**

1. Grant Olver Investments Pty Ltd, (the applicant) filed trade mark number 959624 for the following trade mark on 27 June 2003.



2. The trade mark was examined and accepted without a substantive ground for rejection being raised. The application was advertised as accepted on 30 October 2003 and on 27 January 2004 Richard James Pty Ltd (the opponent) filed a notice of opposition. Evidence in support, answer and reply was duly served and the applicant requested a hearing.

3. The matter came before me, as a delegate of the Registrar, on 7 January 2005 in Canberra. Mr Gerald Santucci of Snedden, Hall and Gallop represented the opponent in person. Ms Maria Schwartz of Schwartz Barristers & Solicitors represented the applicant, who attended via telephone conference.

**Evidence**

4. The following evidence was served and filed.

*Evidence in support:*

<b>Name and position</b>	<b>Date</b>	<b>Exhibits</b>	<b>Referred to as</b>
Matthew Howe – Managing Director of the Opponent	26/01/2004	Four exhibits	Howe 1

*Evidence in answer:*

<b>Name and position</b>	<b>Date</b>	<b>Exhibits</b>	<b>Referred to as</b>
(Norman) Grant Olver – Director of the Applicant.	23/05/2004	A - K	Olver

*Evidence in reply:*

<b>Name and position</b>	<b>Date</b>	<b>Exhibits</b>	<b>Referred to as</b>
Matthew Howe – Managing Director of the Opponent	19/10/2004	Nil	Howe 2

**Evidence in Support**

5. By way of summary the Howe 1 declaration outlines the history of the opponent’s company and its use of trade marks incorporating or consisting of the word PILGRIM on clothing since 1988. Sales figures, advertising examples and a list of distributors are provided. The exhibits display photographs showing use of the trade mark PILGRIM as a plain word and with a device of a globe and what appears to be a

representation of a number of horses and riders. The other three exhibits are statutory declarations from distributors of PILGRIM clothing all attesting to knowledge of the PILRIM label for at least 10 years.

### **Evidence in Answer**

6. The Olver declaration explains the evolution of the subject trade mark to its current form, beginning with the plain word PILGRIM in late 1993 or early 1994. A number of the exhibits show swing tags, packaging, signage and store fronts all using the subject trade mark device. Sales figures and some advertising expenses are detailed, as is the adoption of the trade mark. A conversation had between, essentially, the applicant and the opponent back in 1997 is detailed, with the applicant believing the parties to have agreed to peacefully co-exist, each trading only in their area of ‘speciality’ – the opponent in men’s clothing and the applicant in more up-market woman’s attire.

### **Evidence in Reply**

7. The Howe 2 declaration comments that the conversation in 1997 did indeed occur, however the opponent is of the opinion that no agreement was ever reached either in oral or written form. The opponent also notes that it attempted to register the plain word PILGRIM in 1988, however this application was rejected due Pilgrim’s surname significance, at that time.

### **Notice of opposition**

8. The notice of opposition included three grounds, those pursuant to sections 60, 43 and 44 of the *Trade Marks Act 1995* (the Act), which were argued at the Hearing. The opponent also led submissions regarding grounds pursuant to sections 41 and 42 of the Act. These grounds were never raised in the notice of opposition or in the evidence, and I find there is no justification for considering them in this decision, as

to do so would be procedurally unfair to the applicant. Even if there was such a justification, no evidence has been led on either argument, and the opposition would not have been successful on these grounds.

## **Discussion and reasons**

### **Trade mark likely to deceive or cause confusion**

9. Section 43 of the Act reads:

An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

10. For section 43 to be established there needs to be inherent connotation in the trade mark or in part of the trade mark, and due to this connotation there needs to be a reasonable likelihood of deception or confusion arising, taking into account the nature of the services involved.

11. The opponent has argued that the trade mark would be likely to deceive or cause confusion due to the opponent's reputation in men's clothing. The applicant submits that any connotation found must be inherent to the trade mark, it cannot be construed from the reputation or prior use of any other trade mark, and cites a number of cases including *Down to Earth (Victoria) Co-operative Society Ltd v Schmidt* (1988) 41 IPR 632.

12. The Federal Court case *TGI Friday's Australia Pty Ltd v TGI Friday's Inc* [2000] FCA 720 confirms that the connotation referred to in section 43 relates to the inherent nature of the trade mark itself. The opponent has not argued that any such connotation exists and I am of the opinion that none is to be found in the trade mark itself.

13. I believe that there is no inherent connotation in the term PILGRIM as connoting the opponent's goods and I do not believe that the word has achieved any currency in general language amongst the opponent's customers and/or the general public. This ground of opposition is not established.

**Identical and/or deceptively similar trade marks**

14. Section 44 provides, inter alia, for refusal of a trade mark if it is deemed to conflict with a prior application or registration. To establish such conflict, the opponent requires:

- a application or registration with an earlier priority date than the applicant's 'PILGRIM and device' trade mark, that is
- in respect of the same or similar goods or closely related services, and also
- which is either substantially identical with, or deceptively similar to, the opposed trade mark.

15. The opponent is owner of trade mark registration 499499, which is registered for the goods of "*clothing*" and appears as:



16. The priority date of this registration is November 1988, earlier than that of the subject application. The claim of goods for simply "*clothing*" is very broad and encompasses the subject application's claim for "*woman's clothing and swimwear, woman's footwear, woman's headgear, woman's sleepwear, including women's: belts, hats,*

*and scarfs (sic)*” and is closely related to “*Retail and wholesale services in respect of consumer goods including women’s clothing and accessories, women’s footwear and accessories, women’s head gear and accessories, women’s underwear, swimwear, sleepwear and accessories*”. Thus, the first two requirements for making out a ground of opposition pursuant to section 44 have been found.

17. It is important to note at this stage that the comparison between the trade marks, when considering section 44, needs to assume a notional use of both trade marks, encompassing fair and full use of *all* the goods covered by the registration and application. Deceptive similarity is judged not on the grounds of what use has already occurred, but on the use that the owner can properly ascribe to the trade mark. The issue is whether that use would give rise to a real danger of confusion.<sup>1</sup> Substantial identity was not seriously argued at the hearing, and in a side by side comparison the trade marks are obviously not substantially identical. Therefore, I need to decide if the trade marks in question are deceptively similar.

18. Deceptive similarity may be assessed according to the test stated by Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641, at page 658:

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. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected.

---

<sup>1</sup> *Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR353 at 362

19. *In Re Application by the Pianotist Co Ltd* 1A IPR 379 at 380; (1906) 23 RPC 774 at 777, Lord Parker (then Parker J) said:

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

20. Additionally, deceptive similarity is defined in terms of section 10 of the Act:

**Definition of deceptively similar**

For the purposes of this Act, a trade mark is taken to be deceptively similar to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.

21. When deciding the question of deceptive similarity the trade marks are not to be compared side by side, as the question is one of impression based on recollection of the trade mark,<sup>2</sup> and this needs to be a first, overall impression rather than a careful comparison.<sup>3</sup> The trade marks must be compared in their entirety, by judging the probable effect of the respective wholes upon consumers<sup>4</sup>. Deceptive similarity therefore, is really a consideration of the likely effect or impression produced on and retained by the ordinary run of customers and potential customers.<sup>5</sup>

22. Also, as noted in *Torpedoes Sportswear Pty Limited v Thorpedo Enterprises Pty Limited* (2003) 59 IPR 318 at 331:

‘The fact that two marks convey the same idea...(can) be taken into account in deciding whether two marks which really looked alike or sounded alike were likely to deceive: *Cooper Engineering* at 539. The presence of a common idea may be a determining factor because the idea is more likely to be recalled than [sic] the precise details of the mark (*Jafferjee v Scarlett* (1937) 57 CLR 115 at 121-2 (*Jafferjee*)) but the suggestion of differing ideas may serve to reduce the risk of confusion

---

<sup>2</sup> *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407

<sup>3</sup> *Aristoc Ltd v Rysta Ltd* (1944) 1B IPR 467

<sup>4</sup> *Clark v Sharp* (1898) 15 RPC 141

<sup>5</sup> *Melbourne Chinese Press Pty Ltd v Australian Chinese Newspapers Pty Ltd* [2004 FCAFC 201]

*(Johnson & Johnson v Kalnin (1993) 114 ALR 215; 26 IPR 435 at 440 (Johnson & Johnson)). The idea that is relevant is the idea that the mark will naturally suggest to the mind of one who sees it: Jafferjee at 121.'*

23. The idea common to both trade marks is that of a PILGRIM, which is only re-enforced in the opponent's trade mark by the picture of a puritan man. The shared feature of PILGRIM obviously dominates both trade marks, and provides visual and aural similarities between them.
24. Where trade marks consist of a word and a graphic feature, customers will more naturally refer to the word portion of the trade mark, and thus the fact that PILGRIM is used with quite different accompanying graphics in this case, does not significantly lessen the tangible danger of confusion. With the word PILGRIM being pivotal to both trade marks customers may well believe that the two are linked, one being an updated or perhaps feminine version of the other.
25. Only twelve trade marks incorporating the word PILGRIM have been applied for in Australia, with only four being relevant to the goods and services under consideration. Therefore, the word PILGRIM is certainly not common as a trade mark, and may well immediately fix in the mind of a number of consumers as belonging to only one trader.
26. When the trade marks are considered in their entirety, they are deceptively similar. I am satisfied that the ordinary person would be caused to wonder about the source of the goods and services, and that there is a real tangible danger of deception and confusion in the marketplace. The applicant submitted that if I came to this conclusion, registration of its application would still be possible due to the provisions of subsection 44(3)(a) – honest concurrent use.

### **Honest concurrent use**

27. I will now consider the principles found in *Re Alex Pirie & Sons Ltd's Application* (1933) 50 RPC 147 and *Re John Fitton & Co Ltd's Application* (1949) 66 RPC 110, confirmed in *McCormick & Co Inc v McCormick* [2000] FAC 1335, in assessing whether any use of the subject trade mark has been “honest concurrent use”.
28. The five principles found in these cases can be expressed as:
- Honesty of the adoption and concurrent use
  - The extent of concurrent use in time and quality
  - The degree of confusion likely to ensue
  - Have any instances of deception in fact occurred and
  - The relative inconvenience if the trade mark was registered
29. Whilst the honesty of the adoption and current use of the trade mark is perhaps the most important of these principles, I will deal with the extent of concurrent use in time and quality first, as this principle poses difficulty in this case. There is nothing before me to show, let alone suggest, that the opponent has ever used its registered trade mark. There is no doubt that the opponent has made long use of the plain word PILGRIM and some use of PILGRIM with a quite different device of stylized men and horses, however there is no use before me of the trade mark PILGRIM and device of a puritan as it is registered.
30. It is long established that use of the two trade marks under consideration must be concurrent to enable the Registrar to weigh the likelihood of deception or confusion.<sup>6</sup> The Registrar needs to be able to positively state the presence or absence of public

---

<sup>6</sup> *Re Gloy & Empire Adhesive Ltd's Application* (1934) 51 RPC 63

confusion between the trade marks, and come to a true assessment of whether the public does in fact distinguish between the trade marks.<sup>7</sup> If there is no evidence of the use of both trade marks at the same time, for the same or similar goods, there can be no use described as concurrent.

31. In *Re L'Amey Trade Mark* [1983] RPC 137 Mr D.G.A. Myall held that concurrent user could not be established as there was simply no evidence that the opponent's registered trade mark had ever been used. He found that the trade marks considered for concurrent use must be the exact same ones considered under the provisions of section 44. He held that:

“In my opinion, however, the present application can derive no benefit from section [44(3)(a)]. The opponent's mark that has to be considered under that subsection is not the one they have used but the one on the register. Since there is no evidence that that mark has ever been put into use, I do not think there can be said to have been any ‘concurrent use’ at all. In my view that phrase means that the applicant's use must be concurrent with the opponent's use, not that the applicant's use has been concurrent with the opponent's registration....Where, as here, there has been no use of one of the marks or where, again as here, the parties' goods have not been sold side by side in the same market, there has not been any opportunity of testing what degree of confusion is tolerable in the public interest”. [material in parentheses adjusted]

32. Questions of public interest and of possible deception and confusion for consumers are “a relevant but not determinative factor”<sup>8</sup>. However, there must be an assessment of the likelihood of confusion or deception in concurrent user. The opponent may at any time put its registered trade mark into full use and sell woman's clothing, thus competing directly with the applicant. If that were to happen I believe the scope for deception and confusion to be very high due to the similarities of the trade marks and the exact same goods that may be sold by both parties. In these circumstances the

---

<sup>7</sup> *Medicon EG Chirurgiemechaniker-Genossenschaft v Medison Co Ltd* (2000) 48 IPR 397

<sup>8</sup> *McCormick & Company Inc v McCormick* [2000] FCA 1335

applicant has not been able to show that its trade mark can co-exist with the registered trade mark of the opponent.

33. As I have found that the application has not been used concurrently with the opponent's registration there is no need for me to look further into the other factors of honest concurrent use.

34. The applicant has argued that if I decide the provisions of subsection 44(3)(a) can not be made out, it still has a case under the provisions of subsection 44(3)(b) – other circumstances.

#### **Other circumstances**

35. The provisions of subsection 44(3)(b) provide for acceptance of an application where, because of other circumstances, it is proper to do so. The applicant has argued that the following matters, inter alia, constitute other circumstances:

- Both parties have been trading in their respective markets for many years under the trade marks without causing confusion in the public
- The sales figures generated and the amount of advertising spent by the applicant is greater than that of the opponent
- There is a significant difference in the markets in which the party's trade, and the opponent is not known in the applicant's market.

The opponent did not make any submissions regarding section 44(3)(b).

36. Whilst there is not a great deal of judicial comment on the meaning of "other circumstances", in *Shanahan's Australian Law of Trade Marks & Passing Off* 3<sup>rd</sup> Edition 2003 at [9.90], it is suggested that "other circumstances" ought to be construed more broadly than "special circumstances" and may comprise any aspect of

the applicant's use tending to minimize the risk of confusion or showing particular hardship.

37. Whilst the opponent has submitted that some deception and confusion has occurred in the marketplace, it has been very scant on the details and actual evidence of such events. The applicant has attested to no deception or confusion occurring and has provided a statutory declaration from a Raffaele Cotroneo, buyer, manufacturer and retailer of both men's and women's clothing, who is of the belief that the parties are currently trading in such disparate markets that confusion and deception is unlikely.
38. The current commercial realities of this situation appear to be that each party is trading in one corner of the clothing market and that those corners are separated by not only the intended purchaser and wearer, but also by the cost of the garments. The current trade mark registration reality is that the opponent has a registration for all clothing and therefore technically can move into the exact same market as the applicant. However, the applicant has been trading with PILGRIM as a trade mark on its restricted line of clothing since about 1994. The applicant has stated in its evidence that it has never sold men's clothing of any type, and was prepared to enter into an agreement with the opponent whereby each party is restricted to use of the trade mark PILGRIM in its own corner of the clothing market (exhibit L, Olver declaration). The opponent has not signaled any intention to expand its range of clothing to anything over and above its current trade of men's clothing.
39. Thus, the market reality of this situation is that if the opponent now moved into women's clothing, especially the same up-market niche as the applicant, I believe the opponent would be open to action for passing off or under the provisions of section 52 of the *Trade Practices Act 1974*. The commercial realities of each party's separate

trading using the PILGRIM trade mark, and the legal consequences that result from that use, constitute circumstances that make it proper to register the application under the provisions of subsection 44(3)(b).

40. Section 60 reads:

**Trade mark similar to trade mark that has acquired a reputation in Australia**

**60.** The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

41. Consideration of the substantial identity or deceptive similarity of trade marks under section 60 is not restricted to registered trade marks, and thus in this case I can consider the long use made by the opponent of the plain word PILGRIM.

42. As I have already decided the term PILGRIM is the pivotal portion of the applicant's trade mark, when the opponent's trade mark is simply the word PILGRIM with no accompanying device, I find the trade marks to be deceptively similar. Having found that the opponent's common law trade mark PILGRIM is deceptively similar to the subject application, I now need to consider if the opponent has a reputation in PILGRIM and if so, is it enough that use of the subject application would cause deception and confusion in the marketplace.

43. The Howe 1 declaration states that the opponent began to use its PILGRIM trade mark in 1998 and has sold several million garments, of men's clothing, in this time. The sales figures presented show growth over time and a large improvement from a modest beginning. The opponent has detailed some of its distributors, including

Lowes, Ed Harry, Harris Scarfe and Allens Stores, and has touched on the question of market share, but has failed to reveal its estimated or actual market share for its goods of men's clothing.

44. Three letters from distributors have been included in the evidence and attest to the opponent's long use of the plain word PILGRIM in Australia. All of the letters state that they have sold the opponent's PILGRIM brand of men's clothing for approximately 10 years and make various comments regarding how many units are sold per year, what goods the trade mark appears on, and how loyal the customers are to the opponent's PILGRIM clothing.
45. There is no evidence before me to establish what type of advertising or marketing is undertaken by the opponent or the effect of any such actions on the opponent's customers. The closest evidence to this effect appears in a letter from the Harris Scarfe stores stating that the PILGRIM brand is seen in many of its catalogues.
46. From the material before me I can not be satisfied that the awareness of the trade mark within the opponent's market, men's clothing, is at the level necessary to infer a reputation that would cause any subsequent deception and confusion in the marketplace if the subject application were to be registered. This ground of opposition is not successful.

### **Summary**

47. I note that the matter of the trade mark PILGRIM between the applicant and the opponent will not stop with the issue of this decision. The applicant has filed a removal for non-use against the opponent's registered trade mark, number 499499, and the opponent has opposed that action. The applicant has applied for the plain word PILGRIM, application number 1011468, which is currently under examination

and has had the opponent's registration 499499 raised as a citation. The opponent has also applied for the plain word PILGRIM, application number 1049932, which will reach the examination stream in due course and should be acceptable pursuant to the provisions of prior use (section 44(4)), assuming the evidence before me is also put before the examiner.

### **Decision**

48. The opponent has made out its ground of opposition pursuant to section 44, however it is proper in all the circumstances of this case to allow the application to proceed to registration with the following endorsement:

Provisions of subsection 44(3)(b) applied.\*

The trade mark application may proceed to registration with this endorsement 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**

49. Both parties sought costs in this matter. The general rule in awarding costs is that costs are usually awarded against the unsuccessful party. In this case though, I believe that both parties have had some measure of success and therefore an award of costs is not warranted. Each party should bear its own costs in this matter.



Rachel Dunn  
Senior Examiner  
Trade Mark Hearings  
rdunn@ipaaustralia.gov.au  
Direct Dial: (02) 6283 2359  
29 April 2005