

TRADE MARKS ACT 1995


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

Re: Opposition by McDonald's Corporation to protection of International Registrations Designating Australia 960885, 961902 (class 30) (International Registrations 804043 and 805086 respectively) – **MacCoffee plus eagle device, MacCoffee-** in the name of Future Enterprises Pte Ltd.

DELEGATE:	Terry Williams
REPRESENTATION:	Opponent: Simon Williams, of Spruson & Ferguson, patent attorneys Holder: Carmen Champion of counsel, instructed by FB Rice, patent attorneys
DECISION:	2007 ATMO 22 Regulation 17A.29 opposition: S 44 established in relation to trade marks for goods, but coffee and restaurant services not closely related – s 60 established. Protection refused

Background

1. Future Enterprises Pte Ltd ('the holder') has requested protection in Australia for the following international registrations designating Australia ('IRDAs'). The international registration numbers are 804043 and 805086 and the IRDAs have been given the Australian application numbers set out below with their respective particulars

Application Number:	960885 in class 30	961902 in class 30
Priority Date (reg 17A.3):	10.04.03	10.04.03
Trade Mark:		MacCoffee

2. The goods specified when the IRDAs were accepted for possible protection were "Instant coffee mix" (for 960885) and (for 961902) "Coffee, tea, cocoa, coffee-based beverages, artificial coffee, cappuccino, cereal preparations (including instant cereal in powder form), ice cream, prepared meals, confectionery namely candies, sweets, lollipops, liquorice, lozenges, pastilles; cakes, bread, biscuits, jellies (confectionery) and puddings; pastries; snack food products made from

processed flour preparations and potato flour; cookies; snack food products made from corn; snack bars containing dried fruits and nuts (confectionery); cereal-based food bars; rice crackers; muesli bars; wafers”, respectively.

3. Protection of these trade marks in Australia is opposed by McDonald’s Corporation (“the opponent”).

Madrid Protocol – Opposition framework

4. Section 189A of the *Trade Marks Act 1995* (“the Act”) empowers the more detailed workings of the regulations giving effect to Australia’s obligations under the Madrid Protocol. Regulation 17A of the *Trade Mark Regulations 1995* is the most obvious consequence of these. Reg 17A.29 provides for opposition to the extension of protection in Australia to a trade mark that is the subject of the IRDA. Regulation 17A.31 makes provision for the adaptation of the grounds of opposition set out in the Act. These include sections 39 and 41 to 44 of the Act (by virtue of 17A.31(1) and 17A.28(1)), and sections 58 to 61 of the Act (by virtue of 17A.31(3)). A ground analogous to s 62 is imported by reg 17A.31(4).

5. Further realignment of the terminology of the Act comes from reg 17A.28(2) and 17A.31(3):

Where the relevant section refers to an “application” an IRDA is to be understood; and

Where an “applicant” is referred to, the holder of the IRDA is to be understood.

6. Finally, regulation 17A.34(1) provides:

Unless the opposition proceedings are discontinued or dismissed, the Registrar must decide:

(a) to refuse protection in respect of all of the goods or services listed in the IRDA; or

(b) to extend protection in respect of some or all of the goods or services listed in the IRDA (with or without conditions or limitations); having regard to the extent (if any) to which any ground on which the IRDA was opposed has been established.

7. Within that broad framework, familiar parts of the Trade Mark Regulations are imported by reg 17A.33, which provides:

(1) The Registrar must give to the opponent and to the holder of the IRDA an opportunity of being heard on the opposition.

(2) Regulations 5.7 to 5.17 apply, with the necessary modifications, for the purposes of the opposition.

(3) Despite subregulations (1) and (2), a requirement to serve a document on the holder, or to give the holder an opportunity to make written representations or to be heard, does not apply unless, within 3 months after the notice of opposition is filed, the holder has notified the Registrar, in writing, of the holder's address for service in Australia.

Evidence and hearing

8. Both parties have filed evidence to support their positions. I was assigned to hear and decide the matter, under delegation from the Registrar of Trade Marks. At the hearing, the opponent was represented by Simon Williams, a solicitor of the patent attorney firm of Spruson and Ferguson. The holder was represented by Carmen Champion of counsel, instructed by FB Rice, patent attorneys.
9. Subsequent to the hearing, and in order to eliminate "an unnecessary degree of complexity" the holder has expressly consented to my refusal of IRDA 961902 in respect of all goods *other than* "coffee including instant coffee mix; cocoa; coffee based beverages; artificial coffee, cappuccino". The opponent has objected to this, arguing that the purported refusal introduces "instant coffee mix" which were not in the original scope of the application and is therefore contrary to s 65(5). Instant coffee mix, for present purposes, is a term that covers, at its most extreme, a blend of instant coffee, whitener and sugar and is supplied in small sachets, much like the sachets in which instant coffee is provided in motels etc. It would not appear that instant coffee mix can be used for any purpose other than the preparation of a cup of ready-to-drink coffee, precisely the beverage that, in the alternative, might be prepared by the use of sachets of coffee and (optionally) whitener and sugar.
10. I have carefully considered this argument but I am not convinced. The application, as originally filed, included "coffee" and this must be coffee in all its forms since it cannot be said that coffee is homogeneous. It would be reasonable, I think, to accept that these forms include prepared (ie liquid, ready-to-drink, presumably bottled) coffee, coffee syrups, instant coffee, decaffeinated instant coffee and, for example, the sort of sweetened chicory-flavoured syrup sold as "Turkish coffee essence". I understand that the course proposed by the holder involves a slippery slope with a descent onto the rocks of "coffee-flavoured biscuits" awaiting any transgression of s 65(5). I think that, despite the slope,

“instant coffee mix” is fairly seen as a modern subset of the species “coffee”. If the issue is put plainly, it comes down to, “Is ‘instant coffee mix’ coffee, or is it something else?”

11. In saying this, I note and appreciate the costs issues that the opponent has gone on to raise. The holder has, in effect, surrendered part of its application in the face of this opposition. I will deal with the costs issue below. It remains, otherwise, to determine if my refusal would, on the merits, go further, to any goods still pursued under IRDA 961902.

Grounds considered

12. At the hearing, the opponent relied on grounds under sections 42(b), 44(1), 60 and 43, while not formally abandoning any of the grounds nominated in the notice of opposition. For the sake of good form, I decide now that those of the grounds not specifically addressed have not been established.

Onus

13. For the holder, Ms Champion made strong submissions that the opponent bears the responsibility of demonstrating that the application should “clearly not be registered”. She relied, in doing so, on the line of argument addressed by Lander J in *Kowa v Organon* (2005) 66 IPR 131, at paras 137- 141.
14. Mr Williams, for his part, argued that the onus was no higher than the ordinary standard of balance of probabilities. He submitted that the comments in *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd*¹, which were relied on in *Kowa*, were obiter and should be treated with caution. He commended to me the approach adopted by Gyles J in *Clinique Laboratories Inc v Luxury Skincare Brands*². He argued, moreover, that the comments of Lander J in *Kowa* were also obiter and that Lander J, like Gyles J in *Clinique* and Finkelstein J in *BP plc v Woolworths Ltd*, [2004] FCA 1362 held real doubts as to the “clearly not be registered” threshold.

¹ [2003] AIPC 90-919

² [2003] FCA 1517

15. I think Mr Williams is correct although this issue is a complex one which the Registrar of Trade Marks must inevitably approach with caution. The registrar's current practice is to require that a ground of opposition be established on the balance of probabilities. I am, as a delegate, heartened by the recent, consistent and strong remarks of Gyles J in *Pfizer Products Inc v Karam* [2006] FCA 1663. I think that I should respectfully adopt Gyles J's analysis of the situation.

Section 44

16. The legislation relevantly provides as follows provides:

- (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (applicant's trade mark) in respect of goods (applicant's goods) must be rejected if:
 - (a) the applicant's trade mark is substantially identical with, or deceptively similar to:
 - (i) a trade mark registered by another person in respect of similar goods or closely related services; or
 - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
 - (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

17. Section 10 defines deceptive similarity. I will not quote that provision, and I will deal with it in detail below. Relevantly, Ms Champion's submission conveniently addresses the appropriate threshold, as follows:

The nature of the confusion contemplated by section 10 of the 1995 Act was considered by the Full Court of the High Court of Australia in *Southern Cross Refrigeration Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 608. The Court held that registration should only be refused if there is a real risk that the result of the use 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 came from the same source: at 608.

Justice French in *Registrar of Trade Marks v Woolworths* (1999) 45 IPR 411 at 426 [43], held that the essentials of deceptive similarity which will defeat an application for registration have not changed with the 1995 Act. His Honour identified the question for the registrar and the court as follows:

"The question for the registrar and the court is not whether consumers might be confused (in the sense of wondering about common origin or

connection) but whether there is a reasonable likelihood that they will be confused.”

18. The opponent relies on a number of trade marks, variously registered for goods or services. The opponent asserts that it is the owner of a family of such trade marks, many of them with priority dates considerably earlier than the priority date of the IRDAs, such that the holder’s trade mark should be found to be deceptively similar to one or other of the family. Such a situation is not unusual. Where it arises, such a case does so because the known and familiar use of a number of trade marks by the opponent casts a large shadow onto the potential for deception or confusion that might ordinarily arise between notional fair use of the holder’s trade mark and ordinary exercise of the rights given by the opponent’s registered trade marks. Such a conclusion would be within the confines set out by the Federal Court in *C A Henschke & Co v Rosemount Estates Pty Ltd* (2000) 52 IPR 42 at para 52.
19. I understand and appreciate that it is not appropriate to bring considerations of reputation, per se, into s 44. Ms Champion urged me to adopt the “orthodox” view that “what is to be compared is the lawful use in the future of each mark across the goods for which it is registered rather than being tied to what has happened in the past”. Here she relied on the caution of Gyles J in *Pfizer Products Inc v Karam* [2006] FCA 1663. None the less, if my conclusion is that the ordinary consumer would be misled by the resemblance of the two trade marks – between either trade mark of the holder on one hand and, on the other, any one of those of the opponent’s – such that there is a significant risk of deception or confusion, s 44 is triggered even though the drivers for this might include the notoriety of the opponent’s trade marks. The facts of the present case do not have to be artificially constrained to fit a public perception that exists only in some alternate fantasy world where the opponent is unknown.
20. For present purposes, the opponent had sold many hundreds of millions of dollars worth of food over time through its restaurants, such that it is pointless to quibble with what might be, at the edges of the picture, a lack of detail. It is not, for example, absolutely clear which of the opponent’s trade marks have been used. The precise number of restaurants at the date of filing of the opposed applications

is also unclear, but “in excess of 720” was the way Mr Maloney, the opponent’s Australian senior legal counsel, put the matter in the evidence in support in August 2004. However, these are but quibbles in the detail. In *McDonald’s Corporation v Macri Fruit Distributors Pty Ltd* [2000] ATMO 37, the Acting Hearing Officer, Mr Nancarrow, analysed the usage of the opponent’s trade marks at some length. I do not think that that it is necessary to quote his analysis, or to separate the opponent’s registered and unregistered trade marks into groups, as did Mr Nancarrow. Indeed, the opponent’s present evidence does not allow such precise distinction but the points that are abundantly clear are, as Hearing Officer Thompson observed in *McDonalds Corporation v David Bellamy* [2004] ATMO 26, that the opponent has a wide range of registered and unregistered trade marks, which it has used to a greater or lesser extent, and that the preponderance of these utilise the Gaelic stem ‘Mac’ or ‘Mc’ along with a descriptive word which describes either the nature of the goods, a quality of the goods, or the intended purpose of the goods. These things are clear from the evidence before me, and it is equally clear that they would be familiar to virtually every man, woman and child in this country.

21. A bastion of the opponent’s present case is the trade mark MCCAFE, which has clearly been both used and registered by the opponent. Mr Maloney, in the evidence in support, declares that the first such was opened in Melbourne in 1997, and that there were 100 MCCAFE outlets operating in April 2003. It is, from the evidence, quite well known that the opponent’s MCCAFE trade mark designates a café-style outlet that, at the relevant date, was operated within the confines of the opponent’s traditional restaurant premises.
22. The opponent’s relevant registration, 591033, sets out the trade mark in script form as follows.



MCCAFÉ

and lists the services as “restaurant services”. Following the usual convention, I will render this trade mark as MCCAFE and the holder’s trade marks as

MACCOFFEE but, though I will allow for imperfect recollection where necessary, my use of such shorthand should not be taken to suggest that I have lost track of the details, though this carries but slight weight for purposes of comparison.

Deceptive similarity

23. Mr Williams conceded that the issue of “substantially identical” trade marks does not arise. At the hearing, both advocates made detailed submissions on the remaining issue, deceptive similarity. Both advocates addressed the likely reaction of an ordinary consumer who encounters the holder’s trade mark in ordinary and fair use in relation to any of the relevant coffee products specified.
24. Ms Champion noted the presence of the eagle device in IRDA 960885. She noted the holder’s evidence that the eagle device was calculated to indicate an appeal to the “sophisticated U.S. market”. I will deal with that issue now. The eagle device does not, in my view, lean against a finding of deceptive similarity at all. Rather, it gives the trade mark an American flavour.
25. In the holder’s evidence in answer to the opposition, Tan Wang Cheow is declared to be a director and major shareholder of the holder. He has declared his intention, in devising the trade mark, to “convey a western and capitalistic image”. Perhaps in Singapore, where he is resident, the eagle is associated with Western capitalism. However, in Australia I believe the bird, rendered in something of an heraldic style as currently, is more specifically associated with the United States of America. When the trade marks said by the opponent to give rise to the necessary risk of deception or confusion are themselves notoriously owned by an American multi-national corporation, I do not think that the inclusion of such a device could possibly assist the holder. Accordingly, this matter will be decidable on the basis of a comparison of the relevant word trade marks, with the eagle device, where relevant, tending to support a finding of deceptive similarity.
26. Both advocates made submissions on the context in which the comparison of trade marks is to take place. On the one hand there is a trade mark, MCCAFE, used and registered for restaurant services but having about it, notoriously, a perceived connection with a stable of other “MC” trade marks used for food products, albeit

food products that are sold exclusively from the opponent's restaurants. On the other hand there is a trade mark destined for goods that will be sold from the shelves of ordinary supermarkets and convenience stores. I am to decide on the potential for conflict, adopting as a benchmark for this the occurrence of a "reasonable" doubt (*Southern Cross*, supra) or "finite and non-trivial" risk (*Woolworths*, supra) of confusion within the minds of customers encountering the holder's goods and guided by their perhaps imperfect recollection of the particulars of the opponent's MCCAFE trade mark. As Mr Williams noted, the triggering event need go no further than mere confusion, in the sense of holding a reasonable doubt, while stopping short of actual deception or mistake.

27. Ms Champion, for her part, urged me to note that there were levels of complexity in this comparison that would militate against a finding of deceptive similarity. It could not be said, she argued, that the prefix MAC in the holder's trade mark necessarily resulted in a finding of deceptive similarity. Here she referred to the evidence in answer showing that trade marks as divergent as MAC ROBERTSON and MCCORMICK coexist with those of the opponent. She is, of course, correct in this aspect of the matter, but it does not shed light on the issue before me. Here, as in *Macri*, supra, there is present a trade mark of the form MAC plus the name of a food product and having, moreover, a very marked visual resemblance to MCCAFE. She also urged me to discount the possible occurrence of a handful of "extreme or fanciful" assumptions, an appropriate principle³.

28. Both advocates, in written submissions, pointed me to a number of the recognized authorities. I have touched on the more notable of these already, but there is one that, in my view, is central to the assessing of deceptive similarity in the present case. As Parker J put it, over 100 years ago in *Pianotist Co's Appn* (1906) 23 RPC 774, at 777:

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

³ *Campomar Sociedad, Limitada v Nike International Ltd*, [2000] HCA 12 at 105, and see also *Registrar of Trade Marks v Woolworths* considered at para 19 of this decision.

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."

29. As more modern Australian authority (*Woolworths* and *Henschke*, both *supra*) acknowledges, this must necessarily include the norms of the trade and, where appropriate, may also include the colour that is added by the public's perceptions of the trade marks in question. With this in mind, both advocates turned their attention to the norms of the restaurant trade, by way of setting the context for the comparison of the holder's mark with the opponent's marks, of which it would be fair to put MCCAFE in the foreground, with the rest of the MCFOOD ITEM family, as it were, grouped around it.
30. Ms Champion was very critical of some of the opponent's evidence that tended towards trade norms but was, strictly, post-filing. I must confess to some uncertainty about the import of this evidence on behalf of the opponent, which comes primarily from Edwina Chan. Ms Chan has declared that her own personal experience as a consumer is that "a number" of cafes and restaurants also sell pre-packaged food or beverage products bearing the name of the café or restaurant. Her declaration is made in August 2004 but she asserts that her own statements of opinion are equally applicable to the filing date of the opposed trade marks. This claim is however supported by evidence about conversations with unidentified restaurant staff who have in turn made assertions about various matters to do with the first use of the trade marks used by their respective restaurants.
31. Ms Chan's declaration shows that GLORIA JEANS and STARBUCKS coffee shops sell, inter alia, ground coffee. Likewise, the ROBERT TIMMS brand of coffee familiar in supermarkets is connected with what is apparently a one-off Sydney café that has operated under the same trade mark since 2001. Ms Kwan goes on to provide similar information about cafes and food products sold under perhaps more obscure trade marks, TOBY'S ESTATE, SIMMONE LOGUE, TETSUYA, NANDO'S, and PHILLIPA'S BAKERY⁴. Goods bearing these trade marks are also sold, or asserted to be sold, through the David Jones Food Hall. Nando's products are sold through Coles and Woolworths. Likewise, there is evidence in respect of the sale of baked goods bearing the Phillipa's Bakery trade

⁴ Ms Kwan also refers to the trade mark Neil Perry Fresh but I think this is a less convincing case, Mr Perry being a celebrity chef employed at a restaurant that uses an entirely different trade mark.

mark via the Phillipa's Bakery café as well as through what appear to be smallish food stores. However, the relevance of these trade marks to the present matter is questionable as, when used in respect of the sale of goods, Nando's is applied only to sauces and marinades while the trade mark Tetsuya's is used in respect of vinegar and sauces. With all due respect to Ms Kwan's opinions, I am left with the impression that she has combed the stores for exceptions, rather than rules.

32. Ms Champion argued that, as post-filing evidence, the import of the Kwan declaration was in any case irrelevant. However, I think Mr Williams has the more correct view, in that the evidence should be considered as shedding light on possibilities that were already inherent at the filing date. Ms Champion argued, however, that the public, whatever they might know or make of trade marks such as GLORIA JEANS, would not be fooled into thinking that the trade mark MACCOFFEE, in a supermarket context, was any indicator of connection with the opponent.

33. I note Ms Champion's reference to *Lego Australia Pty Ltd v Paul's (Merchants) Pty Ltd*⁵.

The fact that companies may and sometimes do expand the range of products which they produce cannot of itself warrant a conclusion that a particular company has done so.

34. However, this was a case under the *Trade Practices Act*. The test there goes to conduct that is likely to mislead or deceive, so speculation about mere confusion of the thought processes of potential consumers is of less force. In that case the majority judges went on to note, of the conduct complained of: "Any members of the public who were confused or under a misconception in that regard were so confused or under such a misconception as a result of an unwarranted assumption which they themselves made". It is precisely the likelihood of this contingency that is the key to the matter before me.

35. Ms Champion also addressed certain of the opponent's evidence, the Stomnes declaration, which was put forward by the opponent with the apparent aim of convincing me to decide that this was a case of what Mr Stomnes calls "brand extension". Mr Stomnes cites examples of this: CATERPILLAR tractors and

⁵ (1982) 42 ALR 344 at 352

boots, JACK DANIELS whisky and clothing, DUNHILL cigarettes and clothing. Mr Stomnes also, as Ms Champion noted, tramples ruthlessly on the border between giving expert evidence on marketing phenomena and setting out his personal opinion by way of argument on matters that are, ultimately, entirely for my own decision. Ms Champion made the good point that the examples cited above are indeed brand extension, but that what is here being postulated to support the opposition is confusion about what she called “market extension”. If brand extension is the application of a familiar trade mark to new goods, market extension is the taking of existing products to a new range of customers. In terms of brand extension, many consumers might not be surprised to find the opponent marketing a diversity of goods through its restaurants. But market extension, she said, was where the notoriety of the opponent’s methods of doing business would count against its case in the present opposition. Ms Champion’s argument is that reasonable consumers will simply not accept that the holder’s trade mark denotes the opponent’s coffee being vended to ordinary supermarket customers.

36. To come to an end on this issue, I disagree. I accept the force of Ms Champion’s argument but, once again, only so far as it goes. The MCCAFE trade mark is, notoriously, tied to the opponent’s restaurants⁶. Likewise, the MCFOOD ITEM family of trade marks is inevitably known to be available only through the ordinary MCDONALDS restaurants. Thus it may well be that an astute consumer, on encountering the MACCOFFEE trade mark on coffee for sale in an ordinary supermarket, would not be induced to believe that this was some new field of endeavor of the opponent’s. However, given the clear visual similarity between MCCAFE and MACCOFFEE and the inseparability of the sale of prepared coffee from cafes, which in turn reflects history, “café” being the French word for “coffee”, I think that there will inevitably be other consumers who would entertain a reasonable doubt as to precisely that question.

37. To approach this matter from another direction, the ordinary tests for comparison of marks would suggest that (even absent the notoriety here at issue) MCCAFE and MACCOFFEE are deceptively similar. It would require a considerable leap

⁶ I note that there is now evidence of a limited number of “stand alone” MCCAFE premises but this development is clearly post-filing and lends no colour at all to the matters at the relevant date.

for me to accept that the notoriety of the opponent's business methods has sufficiently mitigated this.

38. I also find that the IRDAs are deceptively similar to a number of the trade marks that make up the MCFOOD ITEM family. I do so partly for the sake of consistency with earlier decisions of delegates of the registrar to which I have referred, and whose reasoning I adopt. I acknowledge that it is unsatisfactory to return a finding in respect of a somewhat nebulous grouping of the opponent's trade marks. Therefore, to avoid any uncertainty, I will expressly say that the trade marks the subject of the IRDAs are deceptively similar to the opponent's MCMUFFIN and MCBURGER trade marks, registered as numbers 479212 and 504132.
39. I have noted Ms Champion's arguments to the contrary. She relied on an obvious, letter-by-letter analysis to show that, visually, the holder's and opponent's trade marks share but little. However, the evidence satisfies me that there is a very high likelihood that members of the present-day Australian public will see any trade mark that commences with MC or MAC, and ends with the name of a food item such as COFFEE, and is applied to a food product, as indicating a connection with the opponent.

Similar goods and/or closely related services

40. At the time of the hearing, Mr Williams submitted that, if conflict is established between the opponent's registrations and *any* of the goods the subject of IRDA 961902, protection must be refused for *all* goods. His submission was one of general principle and does not turn on some quirk of language attributable to the Madrid Protocol. I find his argument unconvincing. It is indeed, as he argued, the registration, *in toto*, that is opposed. However, my decision under reg 14A34(1) must turn on "the extent" to which a ground of opposition is established. How much attention is to be given to demarcation of that extent, and to the propounding of any necessary amendment(s), is a question for judgement in each case. To view such matters from a clear-cut perspective, it need only be recalled that applications under the current legislation can cover anything up to 45 separate classes of goods and services. It cannot be the case that such a multiclass

application is necessarily to be refused simply because, at some obscure point in one class such class, a conflict is discernable in the opposition forum. However, this interesting preliminary has been overtaken by the concession made by the holder. It is now necessary to decide only the extent to which coffees of various sorts and, at broadest for the purposes of IRDA 961902, cocoa, are caught up by the second leg of s 44(1).

41. This requires the opponent to establish that it has an applicable trade mark, registered or pending, for similar goods or closely related services. Mr Williams noted that the goods specified in the IRDAs are entirely caught by the scope of certain of the registrations within the MCFOOD ITEM family. Registered trade marks 479212 and 504132, to which I have referred above, are registered for all goods in the relevant class. They therefore necessarily include all the goods the subject of the present IRDAs.
42. I allowed the advocates to make written submissions on the issue of ‘closely related’ goods and services, relevant to the potential of a conflict with MCCAFE, a trade mark that is registered for “restaurant services” only. Mr Williams relied on *Sizzler Restaurants International Inc v Sabra International Pty Ltd*⁷. In that decision, Deputy Registrar Hardie was considering a similar matter under s 33 of the former legislation, a predecessor of the current s 44. The opponent in that matter relied on a registration in respect of : “Coffee, tea, cocoa, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; pepper, vinegar, sauces, spices and ice.” (These she referred to as “the class 30 food products”)
43. Ms Hardie went on to note (my emphasis added) that the services for which registration was sought were: “Restaurants, services relating to preparation and provision of food or drink, reception centres, **none of the foregoing providing takeaway food or drink services.**” There is some conformity between the comments of Deputy Registrar Hardie and the present evidence of the norms of the restaurant trade.

⁷ (1990) 20 IPR 331

The nature of the class 30 food products is that they are edible commodities, either fresh, frozen, dried, or otherwise preserved. The nature of a restaurant service (excluding any takeaway services) is that it is a catering service whereby food is prepared and made available to be eaten on the premises.

The class 30 food products are purchased for domestic need or restaurant use. They may be processed or not; ready to eat or not. Restaurant services, excluding takeaway services, provide the purchasers with food in its finally prepared state, the premises in which to partake of that food, and the various ancillary functions needed to present and enjoy the service.

The trade channels through which the goods, as opposed to the services, pass are the primary producer, the manufacturer, the wholesaler, (perhaps an importer) and then the various retail outlets. Restaurant services excluding takeaway restaurant services, are not available through these outlets. They are available at establishments dedicated to the services of preparing and serving meals. Conversely, the restaurant services specified in the subject application are not available from food outlets. They are available only at establishments whose sole business is the preparation and serving of meals in situ. Such restaurants are not outlets where class 30 food products may be purchased.

Considering the surrounding circumstances of trade, it is a matter of fact that numerous restaurants do provide ancillary catering services and in addition, sell goods, often indeed the restaurant specialities, from the premises. However, all those activities are excluded from the present application. Here there is simply a restaurant service, and it is not normal trade practice for restaurants to manufacture class 30 food products and then sell them through the normal food retail outlets. Taking this circumstance into account, together with the inherent differences between the nature of the goods on the one hand and the nominated services on the other, the difference in the presumptions of the purchasers of the class 30 food products from the presumptions of those intent in partaking restaurant services; and the difference in the final stages of the respective trade channels supplying either, the goods or the services, but not both; I come to the final conclusion that the services nominated in the present application are **not** closely related to the goods of trade mark No A239948(30).

44. In the case before her, Ms Hardie dealt with a restaurant in its pure sense, with services that specifically excluded any take-away trade in prepared foods. Here, as Mr Williams pointed out, the opponent's registration is not so limited, and for good reason. One of the norms of the trade in restaurant services is that those restaurants at the café end of the spectrum manifestly do trade in take-away food and drink. And, of the café trade, the heart of the beverage aspect has to be coffee.

45. I note, however, the arguments pressed by Ms Champion. She relied on comments by Spender J in *Winton Shire Council v Lomas*⁸ where Spender J held:

The only services of relevance in this context are those relating to the conduct of outlets for the supply and provision of meals and refreshments. The registered goods are beverages, purchased for domestic or restaurant use. Outlets for the supply of meals and refreshments are a catering service where food is prepared and beverages are made available to be consumed on the premises of the outlet. Are beverages goods which are "closely related" to a catering service, where food and beverages are made available to be consumed on the premises? The goods and the relevant services have different trade channels.

The question is not without difficulty but, on balance, I am not satisfied that the operational outlets for the supply and provision of meals and refreshments should be considered as being "closely related" to the Registered Goods, namely beverages.

46. The "beverages" that Spender J was considering were beers, wines, spirits and liqueurs. It was presumably for this reason that the judge put weight onto the trade channels in question and I think that this case must be distinguished on its facts.

47. Ms Champion also noted, more relevantly, *Societe Des Proucits Nestle SA v Cosi Sandwich Bar, Inc*⁹. There, the deciding officer was unimpressed by the alleged necessity of a connection between restaurants and coffee. Ms Murray, in that case, described the likes of STARBUCKS and BARRISTAS (trade marks used by the same entities for both their goods and their restaurant services) as "the exception rather than the rule". While I have carefully considered the opponent's evidence, I believe that this is still the appropriate conclusion. It might well be that the existence of such "exceptions" pre-conditions the environment in which s 60 operates. That, of course is something on which I touched in *Kellogg Company v Exxon Company*¹⁰. There I referred to two aspects of the matter:

- are the services performed directly upon or by means of the goods? if so,
- are the goods and services generally regarded by the ordinary consumer as originating in, or being part of, the one industry or trade, or, a closely related trade or industry?

⁸ (2002) 56 IPR 243

⁹ 2002 ATMO 113

¹⁰ [2001] ATMO 67

48. I went on to say that, as a matter of principle, “the fact that there is so much disparity between one retailer and another suggests strongly to me that the question of goods versus the retailing of goods should not generally be settled under the terms of s 44. Subject to the facts that are generally applicable to the particular trade, it should usually be left to s 60 as part of the opposition process”.
49. In the present matter, there is no evidence of a general connection between the production of coffee in its diverse forms and the sale of ready-to-drink coffee products via restaurants including cafes. Therefore, I find that restaurant services and coffee (as variously specified in the two IRDAs) are not closely related.
50. Consistent with my comments above, I do not find that s 44(1) is triggered in respect of cocoa. I have not been assisted by the submissions of the parties here, primarily because the recent abandonment of much of the scope of 961902 has meant that cocoa has simply not been a subject of debate. Therefore, I am in the difficult position of having to rely on my own knowledge of how cocoa is traded in this country. This knowledge is necessarily imperfect but it seems to me that cocoa, far from being a main stock in trade of cafes and restaurants, is an item of yesteryear, noticeably absent from menus and more typically seen as a food ingredient than a product of cafes.
51. Therefore, in total, no ground of opposition is established under s 44 in respect of the MCCAFE registration, but a ground is established under s 44 based on deceptive similarity to the opponent’s registrations 479212 and 504132, to which I have already referred, for relevant goods.

Section 60

52. This section provides:

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

- (a) another trade mark had, before the priority date for the registration of the first mentioned trade mark in respect of those goods or services, 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.

53. In assessing the s44 matter I have already concluded that the holder’s trade marks are deceptively similar to the trade marks MCCAFE, MCMUFFIN and

MCBURGER. I have acknowledged the notoriety of the opponent's MACFOOD ITEM trade marks, of which those are but three. Without drawing this matter out any further, it is clear to me that use by the holder of its trade marks in respect of, in particular, the various coffee products specified in both IRDAs, but also cocoa, would be likely, to the necessary degree, to cause confusion. The holder's trade marks present themselves to the public as being, when viewed logically, highly likely to be members of the opponent's stable of MACFOOD ITEM trade marks. While it might be that mature thought and reflection would resolve this in the negative in the minds of some customers, the risk of confusion is clear and certainly not trivial. For every customer who might conclude "In a supermarket? No, this has to be someone else", there would, I think be a significant, if not equal, number who would look at the holder's trade marks and decide that, despite the supermarket context, they could have been coined for no purpose other than to indicate the opponent's family of trade marks. This level of potential confusion is more than sufficient to trigger s 60.

Conclusion and costs

54. I find grounds of opposition established under sections 44 and 60.
55. In terms of reg 17A.34(1), to which I have previously referred, I refuse to extend protection to the trade marks in Australia in respect of all goods listed in the IRDAs. I order the holder to pay the costs of the opponent to the limit of the scale.

Terry Williams
Hearing Officer
Trade Marks Hearings
24 April 2007