

## TRADE MARKS ACT 1995

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

Re: Opposition by Douglas Benson Spong and Mara Spong to registration of trade mark application 962013(25) – **Sword device** - filed in the name of t-sugi agency Pty Ltd.

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<b>DELEGATE:</b>	<b>Alison Windsor</b>
<b>REPRESENTATION:</b>	<b>Opponent:</b> not represented <b>Applicant:</b> Jurgen Beber of Griffith Hack, Patent and Trade Mark Attorneys, Melbourne
<b>DECISION:</b>	<b>S52 opposition:</b> grounds under sections 44 and 60 not established – opposition unsuccessful.

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#### Background

1. Trade mark application 962013 was filed on 16 July 2003, in the name of t-sugi agency Pty Ltd (“the applicant”). The application is for goods in class 25, being clothing, footwear, and headgear. The trade mark is a device as shown below (“sword device”):



2. The application was examined in the normal course of events, as is required by section 31 of the Trade Marks Act (“the Act”). No grounds for rejection having been identified, it was, on 27 November 2003, advertised as accepted for possible registration.
3. On 27 February 2004, within the time allowed to do so, Douglas Benson Spong and Mara Spong (“the opponents”) filed notice of opposition to the registration. Evidence in support and answer were served following extensions of time for the purpose granted to both parties. The opponent then requested an extension of time in which to

serve evidence in reply. This evidence, however, did not eventuate, and the applicant requested a hearing.

4. The matter came before me, as delegate of the registrar, in Melbourne on 12 September 2006. The applicant was represented by Jurgen Bebbber of Griffith Hack Patent and Trade Mark Attorneys. The opponent was not represented and did not file submissions.

## **Evidence**

### *Evidence in Support*

5. The evidence in support consists of a single declaration, made by Craig Andrew Busfield on 26 November 2004. There are 9 exhibits attached to the declaration.
6. Mr Busfield states he is chief financial officer of Cult Industries Pty Ltd, a company of which the opponents are directors. He states that the opponents purchased a pre-existing business known as Surf Cult in 2000. This business owned a number of trade marks including the words CULT OPTICS and a number of trade marks consisting of cross devices. In 2002 the opponents redesigned the cross device into what Mr Busfield called “a more distinctive style”, described in the declaration as the “new cross” mark, shown below as it appears in trade mark registration number 924762:



7. The same trade mark is the subject of trade mark registration 936103, also mentioned in the declaration. The goods relevant to these two trade marks are set out below:

**924762:**      **Class 9:** Optical apparatus and instruments including spectacles, spectacle cases, frames and cords; sunglasses, sunglass frames, lenses, cases and cords

**Class 25:** Clothing, surfwear, headgear and footwear

**936103:**      **Class 18:** Leather and imitations of leather, and goods made of these materials and not included in other classes; trunks and travelling bags; umbrellas, parasols and walking sticks; backpacks; bags for campers and climbers; garment bags for travelling; beach bags; briefcases; cases of leather or leatherboard; clothing for pets; collars for animals; handbags; mesh or net bags for shopping; haversacks; key cases; leather leashes; leather thongs and straps; wallets; purses; rucksacks; school satchels; shopping bags; suitcases; travelling sets; sports bags;

tote bags; carry bags; knapsacks; shoulder bags; waist bags; cosmetic bags; jewellery bags; business and credit card holders and business and credit card wallets

8. The declaration continues by stating Mr Busfield's opinion that the trade mark enjoys a considerable reputation in Australia in relation to the above goods with a "significant market presence" throughout the country. Exhibit CB-4 provides a list of retailers, numbering over 600, who currently sell the goods under the "new cross" trade mark. These retailers are, in the main, surfing goods shops, and are situated in all states in Australia.
9. Exhibit CB-6 provides examples of "approximate annual turnover" for sales of products under the new cross mark since 2003. The sales are quite significant, and show a steady increase between 2003 and 2004. However, the projected sales figures for 2005, being three times those of 2004, are a little surprising.
10. The declaration also attests to significant advertising expenditure. Mr Busfield says the opponents have engaged in heavy promotion of the goods under the trade mark, with an advertising strategy for the mark in Australia involving investment in prime advertising space in surfing related magazines, and sponsorship of high-profile professional surfers who promote the trade mark indirectly by wearing and endorsing the goods. Exhibit CB-08 included examples of some of the publications referred to including *Girlfriend* magazine<sup>1</sup>, *Tracks* magazine<sup>2</sup> and various other specialist surfing magazines.
11. Mr Busfield goes on to give his opinion that there is a likelihood of confusion between the opponent's "new cross" marks and that of the applicant because the trade marks are used on similar goods which are likely to be sold through similar trade channels. He considers the trade marks to be visually very similar, and that there is a likelihood, as the opponents intend widening the range of outlets through which their goods are sold, of the two trade marks eventually appearing close to each other in wholesale or retail stores.

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<sup>1</sup> *Girlfriend* is a magazine designed for younger teen girls and freely available at supermarket checkouts.

<sup>2</sup> *Tracks* is a long-established magazine aimed at surfers and people interested in surfing.

12. At paragraph 24 of the declaration, Mr Busfield states he was not aware of any confusion in the market between the two trade marks. However, he says, he considers this was because, at the time of making his declaration (26 November 2004), he did not believe the applicant had any use of its trade mark in Australia.

*Evidence in Answer*

13. The evidence in answer consists of the following declarations:

<b>Declarant</b>	<b>Date Made</b>	<b>Exhibits</b>
Jacqueline Demkiw	31 August 2005	Annexures A to F
Liam Harris	21 September 2005	Nil
Ben Wiles	21 September 2005	Nil
Dominic Nesci	24 November 2005	Nil
Anna Brennan	25 November 2005	Nil

14. Ms Demkiw states she is the director and founder of the applicant company. She says goods were first sold under the “sword device” trade mark in July 2003.<sup>3</sup> The trade mark is closely associated, she says, with another brand – Autonomy – which the applicant uses on men’s wear sold through David Jones department stores and selected boutiques. All clothing sold under the “Autonomy” label uses the sword device trade mark as well.
15. Sales figures provided are modest, but steadily increasing over the period attested to in the declaration. Advertising figures are reasonable with respect to the sales. Ms Demkiw states the applicant sells four collections of the Autonomy label each year, each of which is previewed at different Australian fashion weeks during the year. Goods are usually purchased by males in the 18 to 40 age group who are persons with an interest in designer fashion. Goods are promoted at venues such as the Mercedes Fashion Weeks in Sydney and Melbourne, the L’Oreal Melbourne Fashion Week and the Lavazza Coffee Competition. Promotion also occurs by way of media coverage of the autonomy label, and by public personalities wearing garments bearing the sword device in high profile television shows.
16. Ms Demkiw offers the opinion that her customers and those of the opponent are not the same group of people, but that even if they were, the trade marks are so different

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<sup>3</sup> The declaration states the date as 8 July 2005. However, in correspondence in the days immediately preceding the hearing, I was informed this date was incorrect, the correct year being 2003. As this is consistent with other dates quoted within the declaration, all parties agreed to accept an informal correction rather than request a re-sworn declaration.

there would not be any likelihood of confusion.

17. The four declarations which form the remainder of the evidence in answer are made by persons within the fashion industry and the press associated with fashion. All offer opinions on the similarity of the trade marks involved here, with none of the declarants finding similarities between them.

### **Grounds of opposition**

18. The notice of opposition included all grounds allowable under the Act. The evidence in support mainly supports grounds under section 44, with some evidence relevant to section 60. I shall consider these grounds in this decision. For completeness, I note that no other grounds of opposition have been established.

### **Section 44 – identical etc trade marks**

19. In any opposition, the onus is on the opponent to establish at least one ground of opposition. If grounds under section 44 are to be established, the trade marks in conflict must meet all of the following conditions:
- they must be substantially identical or deceptively similar
  - they must be in respect of similar goods or closely related services
  - the conflicting trade marks must have an earlier priority date than that of the applicant's trade mark
20. The evidence in support specifically mentioned trade mark registrations 924762 (priority date 27 August 2002) and 936103 (priority date 29 November 2002). Both of these have earlier priority dates from that of the applicant (16 July 2003).
21. The applicant claims “clothing, footwear, headgear” in class 25. These goods are incorporated within the opponent's specification in class 25 for registration 924762, which reads “Clothing, surfwear, headgear, footwear”. Registration 936103 claims a range of goods in class 18 (set out in paragraph 7). I am satisfied the range of goods claimed in this registration does not include similar goods to those of the applicant. Therefore, registration 924762 alone meets two of the requirements for establishing a ground under section 44.
22. The remaining matter for consideration then is whether the applicant's trade mark and that subject of registration 924762 are substantially identical or deceptively similar. I have set the trade marks out below side by side for ease of comparison:



23. The accepted tests for determining substantial identity and deceptive similarity are those set out by Windeyer J in *Shell Co. (Aust) Ltd v Esso Standard Oil (Aust) Ltd* ((1961) 109 CLR 407 at 414-415:

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.

... On the question of deceptive similarity, a different comparison must be made from that which is necessary when substantial identity is in question. 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.

24. On a side by side comparison, there are distinct differences between the two trade marks. The word CULT stands out within the cross device in the opponent's trade mark, and the silhouetted shapes of both devices are clearly identifiable one from the other. The two trade marks do not meet the test for substantial identity.
25. The test for deceptive similarity, however, does not involve this side by side comparison. For this test, the trade marks are to be considered in isolation from each other, and a decision made on the basis of the impression left on the mind of the consumer who may not have a clear recollection of one or other trade mark.
26. Mr Busfield, at paragraph 9 of his declaration, expressed his opinion that the trade marks were similar in the following words:

I believe that the Applicant's mark is very similar to the Opponents' NEW CROSS trade mark. Visually, the symbols are the same except that the downwards-pointing "arm" of the Applicant's mark is longer than that of the NEW CROSS mark and I believe that it is likely that the purchasers would become confused between the marks, especially if only glancing at

the marks briefly on a form or document, in other advertising material or on retail shelves.

27. Ms Demkiw does not have the same opinion, expressing her view at paragraph 18 of her declaration:

Mr Busfield states in paragraph 22 of his declaration that he is concerned that my Company's SWORD logo trade mark may be confused with the Opponents' Trade Mark Registration Nos 924762 and 936103 ("the Cross marks"). I strongly disagree with Mr Busfield's remarks having taken into account the evident differences of both marks ... . The Opponents' trade mark is clearly a representation of a cross. I note that Mr Busfield himself refers to the Opponents' trade marks as "the NEW CROSS marks. My Company's trade mark is clearly a sword. I find it implausible that consumers would confuse the Opponents' trade marks with my company's Sword Logo trade mark.

28. Both of these comments are clearly personal opinions. Indeed, the trade marks do have some similarities – both are somewhat angular devices with a shaped upright crossed by a shaped horizontal bar. But there the similarities end. The upright and crossbar in the opponent's device are truncated so that the device as a whole fits within a square. The ends of the cross bar, and the lower portions of the upright are truncated so that they form parts of the edges and one corner of the square. The upright and the crossbar are curved between their truncated ends. The device appears squat and somewhat blocky. In addition, the word CULT appears prominently on the cross bar.
29. The applicant's device, on the other hand, has an elongated upright ending in a sharp and narrow point. The top portion of the upright and the two side portions of the crossbar are very similar in size and shape, the crossbar appearing almost as a stylized bow. The device as a whole is slim and elongate, reminiscent of a sword or dagger. I am satisfied the "person of ordinary intelligence and memory" would be most unlikely to confuse the two trade marks and that they are not deceptively similar. The ground of opposition under section 44 is therefore not established.

### **Section 60 – trade mark with a reputation in Australia**

30. The wording of section 60 specifies that the trade mark under opposition must be substantially identical or deceptively similar to that which claims the reputation within Australia. I have found this not to be the case, and therefore the ground for opposition under this section of the Act cannot be established.

**Decision**

31. The opponent has failed to establish any ground of opposition. The opposition therefore is unsuccessful. The trade mark application may proceed to registration six weeks 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 discontinued or registration is otherwise ordered by the court.

**Costs**

32. The applicant has requested its costs, to which it is entitled by virtue of its success in this action. I order costs against the opponent at the official scale.

Alison Windsor  
Hearings Officer  
Trade Marks Hearings  
IP Australia  
18 December 2006