



TRADE MARKS ACT 1995

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

Re: Applications 971021(36) and 971832(36) containing the words MORTGAGE HOUSE by Mortgage House International Pty Limited and opposition thereto by Mortgage House of Australia Pty Limited.

DELEGATE:	Ian Thompson
REPRESENTATION:	Applicant. Did not appear or put in written submissions Opponent Stephen Burley instructed by Averil Waters of Clayton Utz.
DECISION:	1. s52 proceedings: sections60: comparison to section 52 of the <i>Trade Practices Act 1974</i> .

Background

1. Mortgage House International Pty Limited ('the applicant') of Newington in New South Wales, has filed applications to register two trade marks under 971021(36) and 971832(36), which contain the words MORTGAGE HOUSE for services which comprise, 'Insurance, financial affairs, monetary affairs'
2. Mortgage House of Australia Pty Ltd ('the opponent'), of Parramatta, New South Wales, served and filed Notices of Opposition to the registrations of the trade marks. The Notices cite three grounds, these being under sections 60, 42 and 43 of the *Trade Marks Act 1995* ('the Act').
3. The opponent has served and filed evidence in support of the opposition and the applicant has not served and filed evidence in answer.
4. I heard this matter as a delegate of the Registrar of Trade Marks in Sydney 15 March 2005. Mr Stephen Burley instructed by Averil Waters of Clayton Utz appeared for the opponent. The applicant did not appear or put in written submissions.
5. I will dispose of this matter briefly by observing that the evidence shows that the parties to this dispute were parties in a directly related matter before the Federal Court, *Mortgage House of*

Australia Pty Limited v Mortgage House International Pty Limited [2004] FCA 1279 ('MHI'). I will mention now that Ms Dong Yu Xing is the sole director, secretary and shareholder of the applicant, Mortgage House International Pty Limited.

6. The evidence before me is essentially the same as that before the Court. Put as briefly as possible, it shows that Ms Dong was an employee or contractor of the opponent who uses the 'name' MORTGAGE HOUSE. Ms Dong left the opponent's employ and she, or her company, continued to use that name in relation to the same services. The opponent succeeded in its court action under section 52 of the *Trade Practices Act 1974* and, as it applies to Ms Dong, the *Fair Trading Act 1987* (NSW), and secured orders that the applicant, be restrained from using the name "MORTGAGE HOUSE".

Section 60

7. Section 60 of the *Trade Marks Act 1995* provides:

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

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.

8. Section 52 of the *Trade Practices Act 1974* provides:

52 Misleading or deceptive conduct

- (1) A corporation shall not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.
- (2) Nothing in the succeeding provisions of this Division shall be taken as limiting by implication the generality of subsection (1).

Note: For rules relating to representations as to the country of origin of goods, see Division 1AA (sections 65AA to 65AN).

9. Section 42 of the *Fair Trading Act* provides words in the same terms. The words "mislead or deceive" within section 52 of the *Trade Practices Act 1974* are cast in narrower terms than the words "deceive or confuse" with section 60 of the *Trade Marks Act 1995*. It follows that

where a party has succeeded in an action in section 52 of the *Trade Practices Act 1974*, it should succeed in the same matter under section 60 of the *Trade Marks Act 1995*.

10. In order to establish a section 60 ground of opposition the opponent must establish that the applied-for trade mark is substantially identical with, or deceptively similar to another trade mark that enjoyed a reputation in Australia at the priority date of the applied-for mark and that as a result of that reputation, use of the applied-for trade mark would cause deception or confusion.
11. The words MORTGAGE HOUSE are contained within the applicant's trade mark and are how the trade marks will be recognised and referred to by potential clients.
12. Significantly, in *MHI* at para 135, His Honour, Justice Beaumont, said in the course of his judgment, (emphasis added):

The present proceedings were commenced in July 2003. However, in May 2003, MHI sought to register the business name 'Mortgage House' in MHI's name. But in May 2003, as has been seen, the uncontroversial evidence shows that, at least from that date and for some years prior, Mortgage House of Australia traded under the name 'Mortgage House' on a substantial scale. The emphasized use of the **mark** 'Mortgage House' by MHI indicated in Schedule 1 of the applicants' Summary Statement of Facts would indicate to consumers that they were dealing exclusively with Mortgage House of Australia.

13. His Honour's words make it clear that clear that his judgment applies to the applicant's use of the words MORTGAGE HOUSE in its marks. By the words above, the test for deceptive similarity in *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 is met.
14. Thus, the trade marks are deceptively similar and the services of the applicant are in fact the same services (although in terms of section 60 of the Act this need not be so). And, there is a decision of the Court that the similarity of marks would "mislead or deceive" – a narrower test than that needs to be satisfied to establish section 60.
15. The opponent has thus established its opposition in terms of section 60.

Decision

16. Section 55 of the Act provides:

55 Decision

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

- (a) to refuse to register the trade mark; or
 - (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;
- having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For *limitations* see section 6.

17. I refuse to register applications 971021 and 971832.

Costs

18. Costs should follow the event and I order costs at the official scale against the applicant.



Ian Thompson
Hearing Officer
Trade Marks Hearings
26 April 2005