



## TRADE MARKS ACT 1995

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

Re: Opposition by GSM (Trademarks) Pty Ltd to registration of trade mark application 981342(35) - **BILLABONG MOBILES** - filed in the name of Blue Eye Holdings Pty Ltd.

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<b>DELEGATE:</b>	Mary Skivington
<b>REPRESENTATION:</b>	<b>Opponent:</b> Helmut Eichberger of Cullen & Co, Patent and Trade Mark Attorneys.
	<b>Applicant:</b> Unrepresented and did not appear or file written submissions.
<b>DECISION:</b>	S52 opposition – grounds under sections 42(b), 44, 58 and 60 established. Costs awarded against the applicant.

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#### Background

1. Blue Star Holdings Pty Ltd, ('the applicant') filed an application to register the trade mark BILLABONG MOBILES on 9 December 2003. Acceptance of the trade mark for possible registration was advertised in the *Australian Official Journal of Trade Marks* on 13 May 2004 for the following services in class 35:

*Retailing and wholesaling of mobile phones, accessories and telecommunication services packages.*

2. GSM (Trademarks) Pty Ltd, ('the opponent') filed notice of opposition to registration of the trade mark on 31 May 2004. The notice listed all of the available grounds of opposition provided in the *Trade Marks Act 1995*, ('the Act'). The opponent completed the filing and serving of its evidence in support on 30 December 2004.
3. The applicant did not file and serve evidence in answer and has not taken an active role in these proceedings.
4. On 23 May 2005 the opponent applied to be heard and as a delegate of the Registrar of Trade Marks I heard the matter in Canberra on 23 June 2005. The opponent was

represented by Helmut Eichberger of Cullen & Co, Patent and Trade Mark Attorneys. The applicant was unrepresented and did not appear or file written submissions.

### **The evidence**

5. The evidence comprises a statutory declaration with exhibits WB-1 to WB-16 made on 17 December 2004 by William Lawrence Bass, company secretary of the opponent. Mr Bass declares that the trade mark BILLABONG was first used on apparel in the early 1970s by the opponent's predecessors in business. He reports that a survey conducted in 2003 by *Dolly* magazine, found that BILLABONG was regarded as 'the top clothing brand with the highest brand recognition'. He declares that the trade mark is currently used on more than 2200 product lines in classes 6, 9, 14, 16, 18, 20, 24, 25 and 28. The opponent is the owner of sixteen Australian registrations with priority dates ranging from 1987 to 2003. The opponent is also the owner of registrations for BILLABONG in seventy four countries other than Australia, (Exhibit WB-7). Mr Bass declares that the BILLABONG trade mark has been used under licence in Australia since November 2002 in respect of mobile telephones and mobile telephone accessories, (Exhibit WB-4). Mr Bass reports that the opponent is the owner of registration number 964518 for the trade mark BILLABONG, whose priority date is 1 August 2003. This registration covers an extensive range of class 9 goods including 'mobile phones and videophones and other hand held communications apparatus and accessories for these including covers, cases and pouches', (Exhibit WB-6).
6. Mr Bass avers that the BILLABONG trade mark has been widely advertised and promoted in the print media and via radio and television and since early 1996 via the Internet. Knowledge of the opponent's trade mark is also spread through sponsorship of charities and surfing competitions in Australia and overseas. Exhibits include copies of product catalogues advertising clothing and clothing accessories for adults and children and miscellaneous other goods such as wallets, key rings, lanyards and towels, magazine advertisements and invoices and a number of letters and certificates of recognition from bodies such as the House of Representatives of the State of Hawaii, the Association of Surfing Professional of Australasia, the Australian Trade Commission, Austrade and a copy of a decision of the Venezuelan Industrial Property Office declaring that the opponent's BILLABONG trade mark is a famous trade

mark. Sales revenue figures indicated in annual reports of Billabong International Limited, of which the opponent is a subsidiary, are most substantial.

### **Grounds of opposition**

7. Mr Eichberger pressed grounds of opposition under the provisions of sections 42(b), 44, 58 and 60 of the Act. The remaining grounds were not pressed and I now formally find that they have not been established.

### **Submissions and the law**

#### *Section 44*

8. The Act provides that in order to establish a ground of opposition under section 44 the opponent must establish that there is a substantially identical or deceptively similar trade mark application or registration, with an earlier priority date, in respect of similar goods or closely related services, in the name of a person other than the applicant. Here the opponent relied on its registered trade mark number 964518, BILLABONG, which has an earlier priority date than that of the subject application, in order to establish this ground of opposition.
9. Mr Eichberger submitted that BILLABONG MOBILES and BILLABONG are substantially identical or at the very least deceptively similar. He argued that that the word MOBILES is purely descriptive in relation to the sale of mobile telephones and can be discounted in the comparison of the two trade marks. Mr Eichberger referred to the tests for substantial identity defined by Windeyer J in *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 where he said,

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.

10. Mr Eichberger submitted that BILLABONG is the initial and essential feature of the applicant's trade mark, the feature by which people of ordinary intelligence and memory will remember and recall the mark. I agree with Mr Eichberger that the trade marks are substantially identical. The situation here is similar to that which was considered in *P B Foods v Malanda Dairy Foods Ltd* [1999] FCA 1602, where the

marks under consideration were CHILL and CHOC CHILL. Carr J found that these trade marks were substantially identical because the essential feature of the trade marks and the word that served to denote the origin of the goods was the word CHILL. The purpose of the word CHOC was merely to describe the flavour of the goods. In this case BILLABONG denotes the origin of the goods and MOBILES is merely the name of the goods in respect of which the applicant intends to provide wholesale and retail services.

11. Mr Eichberger submitted that the services of retailing mobile phones, accessories and telecommunications packages are closely related to mobile phones. He said that this issue was discussed in *K Mart Corporation v A-Mart Allsports Pty Limited* (1992) 23 IPR 161 and *Rowntree PLC v Rollbits Pty Ltd* 10 IPR 539 where it was held that the retailing of specific goods is a service closely related to the specific goods.
12. Some additional help for determining if goods and services are closely related may also be found in *Re Aussat Pty Ltd* (1993) 27 IPR 309, where the Registrar's delegate adapted the tests for goods of the same description defined in *John Crowther & Sons (Milnsbridge) Ltd's Appn* (1948) 65 RPC 369. These include whether the goods and services are 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 and whether the goods and services are commonly offered by the one company or organization.
13. I think it is common knowledge that in large shopping complexes around Australia there is an increasing presence of retail stores that specialise in the sale of telecommunications equipment including in many cases not only the sale of their own telecommunications products but also the sale of similar products of other manufacturers. It is clear that where specific goods in these stores are traded under the same trade mark as the retailing services, consumers have an understanding that the specific goods and services originate from the same source. I find that mobile phones and the retailing of mobile phones are closely related goods and services. If the applicant were to use its trade mark in respect of wholesaling or retailing services there would be a 'real tangible danger of deception or confusion' occurring as a significant number of consumers would be deceived or confused into a belief that BILLABONG MOBILES' retail services originated from the same source as

BILLABONG mobile phones. I find that the section 44 ground of opposition is established.

*Section 58*

14. Section 58 of the Act provides that registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark. Gummow J in *Carnival Cruise Lines Inc. v Sitmar Cruises Limited* (1994) AIPC 91-049, held that in disputed claims to proprietorship, the trade marks must be at least substantially identical and in this respect he said,

It requires a total impression of similarity to emerge from a comparison between the two marks. In a real sense a claim to proprietorship of the one extends to the other.

15. I have already found that the opposed trade mark is substantially identical with the opponent's registered trade mark.
16. It is well established that the first user of a trade mark for particular goods or services is the owner of the trade mark for those goods or services. The applicant has provided no evidence of use of its trade mark so that its claim to ownership of the trade mark dates from the date of filing, that being 9 December 2003. The opponent's evidence, (Exhibit WB-4) shows use of the BILLABONG trade mark in respect of mobile phones in November 2002. I am satisfied that the opponent was the first user of the trade mark.
17. In *Hicks's Trade Mark* (1897) 22 VLR 636, it was held that in order to establish ownership of the trade mark a person must establish that it was the first to use 'the same word' in respect of 'the same kind of thing'. The expressions, 'the same kind of thing' and 'the same word' in the Hick's case is generally taken to mean 'the same goods' or 'the same services' and 'a substantially identical trade mark'. When that case was decided service marks were not recognized. Trade marks could only be registered in respect of goods. The phrase 'the same kind of thing' is somewhat lacking in precision or exactness and for this reason I consider that in a market where both goods and service marks may be registered it may be interpreted as encompassing goods and closely related services. I therefore find that the opponent was the first to use its substantially identical trade mark in respect of 'the same kind

of thing' and in consequence it is the owner of the trade mark. This ground of opposition is established.

*Section 60*

18. In order to satisfy a ground of opposition under the provisions of section 60 of the Act, the opponent must establish that the applied for trade mark is substantially identical with or deceptively similar to another trade mark or trade marks that have acquired a reputation in Australia before the priority date of the applied for trade mark and, because of that reputation, use by the applicant of its trade mark, would be likely to deceive or cause confusion. Section 60 does not require the relevant goods or services to be the same or closely related nor does it require the trade mark/s on which the opponent relies to be registered or the subject of application/s for registration.
19. As I have found that the relevant trade marks are substantially identical the threshold requirement for the section 60 ground of opposition has been met.
20. Mr Eichberger submitted that the duration of use, spanning some thirty years on clothing, along with the extensive and substantial use on a progressively expanding range of goods have ensured that the trade mark had acquired the requisite reputation in Australia. He said this was further supported by evidence showing exceedingly high volumes of sales and substantial advertising as well as promotion through surfing events. He noted that the results of the *Dolly* magazine Youth Report Survey showed that among teenagers BILLABONG was held to be 'the top clothing brand with the highest brand recognition'.
21. I think it would be generally acknowledged that targeted marketing has made teenagers and young adults brand aware and that they have money to spend or have parents with money to spend on them. Having the right clothes is of major importance to them and a mobile phone has become an essential must have communication tool. The evidence shows that BILLABONG had achieved a considerable reputation in the market for clothing particularly surf wear and other casual wear, well before the priority date of the subject application. Brand extension is a fact of life in modern trading, well understood and appreciated by consumers. Rather than developing a new trade mark, traders hope that the worth or value attached to a known trade mark will

with judicious marketing extend to new products. The opponent has used this brand extension technique by extending use of its known in the clothing trade, BILLABONG trade mark, to a diverse range of products including bags and wallets, watches, towels, stickers and videos.

22. I consider that at the relevant date the opponent had acquired the requisite reputation in its trade mark so that if the applicant were to use its trade mark in respect of the services claimed a significant number of consumers would be likely to be deceived or confused in the sense that they would be caused to wonder if the applicant's services were connected with or endorsed by the opponent. I find that the section 60 ground has been established.

*Section 42(b)*

23. So far as it is relevant to this application section 42 of the Act provides that an application for the registration of a trade mark must be rejected if its use would be contrary to law.
24. The opponent alleged that use of the trade mark BILLABONG MOBILES would contravene sections 52 and 53 of the *Trade Practices Act 1974*, ('TPA') and be a passing off.
25. Since the decision of Madgwick J in *Advantage Rent-a-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683, the Registrar has been obliged, when assessing whether use would be contrary to law under section 42(b), to take into account the operation of laws and legislation other than the *Trade Marks Act 1995*. In that case Madgwick J also confirmed that the test to be satisfied was that use *would*, rather than *could*, be contrary to law.
26. The relevant standard to be applied is that there must be a 'real or not remote chance or possibility' of a reasonably significant number of people being misled or deceived per *Equity Access Pty Limited v Westpac Banking Corporation* (1989) 16 IPR 431. In *Australian Law of Trade Marks and Passing Off*, 1990, at page 456, D R Shanahan says,

'Misleading conduct does not merely cause confusion; it actually directs a person towards the wrong choice'.

27. The word BILLABONG has a high degree of inherent adaptation to distinguish the goods in respect of which the trade mark is registered. The opponent first used its trade mark in respect of surf wear and casual clothing in the 1970s. BILLABONG has stood the test of time to become one of the relatively few enduring trade marks in the clothing trade. Indeed independent evidence shows that among teenagers it is regarded as the 'top clothing brand with the highest brand recognition'. In that market it could be said to have iconic status. The opponent's business has grown significantly both here in Australia and internationally and the mark is now used in respect of a broad range of goods including mobile phones.
28. I am satisfied that in the relevant market a significant number of purchasers would be likely to be misled into a belief that the applicant's services originated with the opponent. I am satisfied that if the applicant were to use its trade mark this would contravene section 52 of the TPA and would thereby be contrary to law in terms of section 42(b) of the Act. The ground of opposition under section 42(b) has been established and I have, therefore, no need to consider if use of the trade mark would also amount to passing off.

### **Decision**

29. The opponent has successfully established the grounds of opposition upon which it relied. Pursuant to the provisions of section 55 of the Act I refuse to register trade mark number 981342.

### **Costs**

30. As the opponent has been successful in these proceedings, I order costs against the applicant and direct that the applicant pay the costs of the opponent in accordance with the Official Scale set down in Schedule 8 of the *Trade Marks Regulations 1995*.

Mary Skivington  
Hearing Officer  
Trade Marks Hearings  
15 August 2005