

TRADE MARKS ACT 1995

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

Re: Application 990368(5) SCABINE to register a trade mark by Schering-Plough Animal Health Corporation and opposition thereto by Pfizer Inc.

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| DELEGATE: | Iain Thompson |
| REPRESENTATION: | Applicant. Albert Terry of Griffith Hack Opponent: Francis Drummond of Freehills |
| DECISION: | 1. s52 proceedings – ss 44 and 60 – opposition not established. |

Background

1. Schering-Plough Animal Health Corporation ('the applicant') of New Jersey, United States of America, has filed application to register a trade mark, current details of which are:

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| App No: | 990368 |
| Filing Date: | 24 February 2004 |
| Goods: | Class: 5 Veterinary preparations, including veterinary vaccines for use in livestock |
| Trade Mark: | SCABINE |

2. Following advertisement of acceptance of the trade mark for possible registration on 24 June 2004, Pfizer Inc, served and filed Notice of Opposition to registration of the trade mark on 15 September 2004. The parties have served and filed evidence in relation to the opposition in accordance with the *Trade Marks Act 1995* ('the Act') and regulations thereto.
3. At the hearing in Sydney on 17 October 2006, Albert Terry of Griffith Hack represented the applicant; Francis Drummond of Freehills represented the applicant.
4. The submissions of the opponent focussed on sections 44 and 60 of the Act.

Evidence

5. The evidence comprises statutory declarations in support by Frances Mcneill Drummond with Annexures A; Arthur A. Silverstein with Annexures A to D, Confidential Annexures E to I, Annexures J to O, Confidential Annexure P and Annexures Q to R; Frances Mcneill

Drummond with Annexure A; and, Arthur A Silverstein with Confidential Annexure A, Annexures B & C, Confidential Annexure C1, Annexures D, E & F. There is one declaration in answer by Roger Sargent with Annexures A to F and declarations in reply by Jason Lesley Edwards, Richard Hyles, Chris Clarke, Roger Willoughby, Alister Birman, and Dr Jim McDonald.

Common Ground

6. The following facts appear to be agreed between the parties or are not in contention.
7. The opponent has, since 1997, sold a vaccine to Australian farmers and graziers for use in protecting sheep and goats against the disease 'scabby mouth' under the trade mark SCABIGARD. Sales of this product under the trade mark SCABIGARD by the opponent have been extensive and the reputation of the trade mark SCABIGARD is not contested by the applicant.
8. The sales are through a variety of channels such as veterinaries, produce stores, farmers' suppliers and so forth.
9. The opponent has the following trade mark registrations in Australia which are related to these proceedings:

Reg No: 575545
Priority Date: 31 March 1992
Goods/Services: **Class: 5** All goods in this class
Trade Mark: SCABIVAC T.C.

Reg No: 733403
Priority Date: 29 April 1997
Goods/Services: **Class: 5** Veterinary preparations and substances; veterinary vaccines
Trade Mark: SCABORF

Reg No: 622534
Priority Date: 14 February 1994
Goods/Services: **Class: 5** All goods in this class
Trade Mark: SCABIGARD

10. The opponent had not used the first two trade marks in Australia in the above list before the priority date of this opposed application.

11. The sheep disease ‘scabby mouth’ (contagious ecthyma, occasionally called ‘orf’) is a highly contagious, viral disease of sheep, goats, and occasionally humans. The opponent’s vaccine is ‘live’ – that is, it is a mild form of the infection to provoke an immune response which protects against a severe form of the disease.

Grounds

12. The opponent pursued grounds under section 44 and 60 at the hearing. Given that the reputation of the opponent’s trade mark SCABIGARD at the priority date of the opposed application is not in contention; nor is it alleged that the trade marks in question are substantially identical; nor is it in dispute that the goods in question are not the same goods; nor that the trade mark registrations on which the opponent relies have earlier priority dates than the opposed application, the question confronting me resolves itself to essentially one question: are the trade marks on which the opponent relies individually or collectively deceptively similar to the opposed trade mark.?
13. The latter part of this question can be disposed of immediately. The trade marks on which the opponent relies cannot be collectively considered as a family of trade marks as the argument depends upon the trade marks on which the opponent relies being used and a likelihood of recognition by the public of the common feature as being identified with the opponent and stemming from that use. The opponent’s SCABIGARD trade mark is in use in Australia; however, its SCABORF and SCABIVAC T.C. trade marks are not.
14. I will therefore confine my discussion of the issues to whether all of the trade marks on which the opponent relies are individually deceptively similar to the opposed trade mark in terms of section 44 and whether the trade mark SCABIGARD is deceptively similar to the opposed trade mark in terms of section 60.

Deceptive Similarity

15. Deceptive similarity is defined within section 10 of the Act which provides:

10 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.

16. As regards ‘deceptive similarity’, French J said in *Registrar of Trade Marks v Woolworths* [1999] FCA 1020, at paragraph 50:

In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 594-5, which concerned the 1905 Act, Kitto J set out a number of propositions which have frequently been quoted and applied to the 1955 Act. The essential elements of those propositions continue to apply to the issue of deceptive similarity under the 1995 Act. Applied also to service marks and absent the imposition of an onus upon the applicant they may be restated as follows:

(i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.

(ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.

It may be interpolated that this is another way of expressing the proposition that the trade mark is likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

(iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.

(iv) The rights of the parties are to be determined as at the date of the application.

(v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

In respect of the last proposition, Mason J observed in *Berlei Hestia Industries Ltd v The Bali Company Inc* (1973) 129 CLR 353 at 362:

"...the question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past, but by reference to the use to which it can properly put the mark. The issue is whether that use would give rise to a real danger of confusion."

17. The test is not to be applied to the trade marks side by side but rather from the impression of the trade marks which is likely to be formed by the public. In the words of Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v F.S. 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.

18. All of the surrounding circumstances are to be taken into consideration, including the market context. In *Re Application by the Pianotist Co Ltd* (1906) 1A IPR 379 at 380; 23 RPC 774 at 777), 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. If, considering all those circumstances, you come to the conclusion that there will be a confusion -- that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods -- then you may refuse the registration, or, rather, you must refuse the registration in that case.

19. Ms Drummond argues that:

- The trade marks are aurally similar: *Gardenia Overseas Pte Limited v. The Garden Company Limited* (1994) AIPC 91-096; (1994) 29 IPR 485
- The comparison is one of impression: *Aristoc Ltd v Rysta Ltd* [1945] AC 68
- The beginnings of words are important for the purposes of comparison: *Re London Lubricants (1920) Ltd's Application* (1925) 42 RPC 264
- Although the goods sold under a trade mark might have a common component or use, an applicant may not select a trade mark which is deceptively similar to an existing trade mark even though the common element may refer to the use or component: *Hamilton Laboratories Pty Ltd v Dome Chemicals* (1966) 36 AOJP 3147 (CORTAR-

CRÈME/CORTAR-QUIN); *Sigma Co Ltd's Appn* (No 2) (1955) 25 AOJP 1913 (PHENOVINE/PHENOMIN); *Merck & Co Inc v Pfizer Inc* [1986] AIPC 90-270.

20. Ms Drummond further submitted that the essential feature of the trade marks on which the opponent relies and that of the opposed trade mark is the word element SCABI and that they thus share strong visual, conceptual and phonetic components.
21. Mr Terry's arguments run directly counter to those of Ms Drummond. Mr Terry observes that:
 - The trade marks share the element SCABI only because they are used, or intended for use, on products that treat 'scabby mouth' in sheep.
 - The class of purchasers, farmers and graziers, are professional and highly skilled individuals who will perceive the common element SCABI as indicating a common use, rather than a common source
 - The element SCABI should thus be discounted to some extent in the comparison: "*Frigiking*" Trade Mark [1973] RPC 739; and see *Cooper Engineering Company Pty Ltd, v Sigmund Pumps Limited* (1952) 86 CLR 536 (RAIN KING/RAINMASTER)
 - The construction of the trade marks is not the same.

Discussion

22. In the opponent's trade marks the element SCABI or SCAB is very much in the fore, and, while it is obviously the first and a prominent element in the opponent's trade marks it is not the only element. The elements VAC, ORF and GARD have some facility in qualifying the element SCAB or SCABI which precedes them and alluding to the nature of the goods. As such, each of the opponent's trade mark has a distinct 'idea'. The opponent's trade marks are quite obviously compounded out of two distinct elements, both of which have some obvious capacity to be readily understood as having some oblique reference to the nature of the goods of interest.
23. The applicant's trade mark SCABINE is not compounded in the same way. The element SCAB is present, but the 'suffix' -INE is apparently meaningless. As such, the opposed trade mark, considered as a whole, conveys a different 'idea' and lacks the meanings which might be perceived in the opponent's trade marks.

24. I agree with Mr Terry that some form of discounting of the element SCAB or SCABI must be allowed for in the comparison. This does not stem from a disinclination to impute too wide a monopoly over the element SCABI, but rather because in the context of the trade marks in question, and the probable trade channels and purchasers, it will be perceived as performing some form of descriptive function and not seen in itself as denoting a trade source. Thus, while the element SCAB or SCABI does occur in the first syllable of the trade marks, the principle in *London Lubricants*, above, cannot be viewed as having the force that it would if the ‘prefix’ did not refer to the purpose of the goods.
25. The examples such as CORTAR-CRÈME and CORTAR-QUIN, relied on by Ms Drummond, are from a regime when the onus was on the applicant to show that its trade mark should be registered. However, here the onus is on the opponent to establish its opposition to the registration. I note too that the CORTAR-CRÈME/CORTAR-QUIN example has an idiosyncratic spelling of the ‘suffix’ CORTA- which could be perceived as denoting a common origin and that the other examples show similarities which persist beyond the common suffix.
26. Thus, given the differences in the construction of the trade marks; the fact that the suffixes in the opponent’s trade marks have facility in relation to the goods which is not apparent in that of the opposed trade mark; and the obvious reference of the element SCAB or SCABI to the nature of the goods, I am not satisfied that the trade marks are deceptively similar.
27. Accordingly, the opposition in terms of section 44 and 60 is not established.

Decision

28. Section 55 of the Act provides:

Decision

55. 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.

29. The trade mark may, subject to any appeal against this decision, proceed to registration. If this decision is appealed, the disposition of the application should be in accordance with the orders of the Court.

Costs

30. As the applicant has been successful in these proceedings, I order costs against the opponent.

Iain Thompson
Hearing Officer
Trade Marks Hearings
4 December 2006