



TRADE MARKS ACT 1995

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

Re: Opposition by CHRIS-TELLE PTY LTD to registration of trade mark application 819557(25) - **DOLPHINS & DEVICE** - filed in the name of AUSTRALIAN SWIMMING, INC.

DELEGATE:	Rachel Dunn
REPRESENTATION:	Opponent – Trevor Dredge, Intellpro Applicant – Katrina Osgerby, Halford and Co.
DECISION:	Opposition successful s59, 44, s62, trade mark registration refused.

Background

1. Australian Swimming Inc, (the applicant) filed trade mark number 819557 for the trade mark as represented below on 11 January 2000. This application is a divisional of trade mark registration 781672, which has a priority date of 22 December 1998.



2. The trade mark was examined and a ground for rejection in terms of section 44 of the *Trade Marks Act 1995* (the Act) was raised in the first report, based upon two citations, one owned by Chris-Telle Pty Ltd, the opponent in this case. The applicant provided evidence of use of its trade mark and the second examination report offered

acceptance of this trade mark conditional upon a restriction to the claim of goods. The applicant agreed to the restriction and the trade mark was accepted for registration in class 25 for the goods of *Clothing, swimwear but excluding protective swimwear, caps, hats, visors, footwear* and the provisions of subsection 44(3)(a) were applied. This acceptance was advertised in the *Official Journal of Trade Marks* on 21 February 2002.

3. On 21 May 2002 Chris-Telle Pty Ltd (the opponent) filed a notice of opposition. All of the evidence was served and filed by 13 May 2004 and the applicant requested a Hearing.
4. The matter came before me, as a delegate of the Registrar, on 13 July 2004 in Canberra. Mr Trevor Dredge of Intellpro represented the opponent and was accompanied by Mr David Christie of the opponent company. Ms Katrina Osgerby of Halford & Co., represented the applicant.

Evidence

5. The following evidence was served and filed.

Evidence in support:

Name and position	Date	Exhibits	Referred to as
David John Christie – Manager of the Opponent	19/03/2003	DJC1-DJC3	Christie
Trevor James Dredge – Attorney of the opponent	15/03/2003	TJD1-TJD5	Dredge 1

Evidence in answer:

Name and position	Date	Exhibits	Referred to as
Glen Tasker – CEO of applicant.	16/02/2004	A/ B and GT1-GT2	Tasker

Evidence in reply:

Name and position	Date	Exhibits	Referred to as
Trevor James Dredge – Attorney of the opponent	13/05/2004	TJD6-TJD8	Dredge 2

Evidence in Support

6. By way of summary the Christie declaration outlines the history of the opponent and its three trade marks, including registration 626976 for the plain word DOLPHIN. Sales figures, advertising budgets, advertising examples and a list of distributors are provided. The exhibits display photographs showing use of the trade mark DOLPHIN on clothing and swimwear; correspondence from customers and potential customers; and examples of advertising. The Dredge 1 declaration contends that the website of the applicant does not offer the claimed goods for sale and that the only use of the subject trade mark was for a team of swimmers, not for any of the goods claimed. The Dredge 1 also includes a full copy of the entire examination file of the subject trade mark, which brings into evidence an earlier statutory declaration filed by the applicant and provided in the course of obtaining acceptance of the trade mark. Further photographic evidence of use of the opponent's trade mark is also provided.

Evidence in Answer

7. The Tasker declaration explains the evolution of the subject trade mark to its current form. It outlines how the trade mark is used, through the provision of apparel to swim team members, not through any sales to the public. The exhibits show the trade mark at high profile events, and provide details of the large television audiences that are exposed to the trade mark during major swimming events.

Evidence in Reply

8. The Dredge 2 declaration comments upon the Tasker declaration and the promotion of the subject trade mark on the applicant's website and the TELSTRA® website.

Notice of opposition

9. The notice of opposition originally included many grounds and the trade mark applicant prepared submissions on all of the listed grounds. However, at the hearing the only grounds relied upon by the opponent are those pursuant to sections 59, 44, 60 and 62 of the Act.

Discussion and reasons

Applicant not intending to use trade mark.

10. Section 59 of the Act reads:

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

(a) to use, or authorise the use of, the trade mark in Australia; or

(b) to assign the trade mark to a body corporate for use by the body corporate in Australia;

in relation to the goods and/or services specified in the application.

Note: For *applicant* see section 6.

11. Mr Dredge argued that the evidence shows the applicant uses the subject trade mark only in combination with the name of its major sponsor, which has been shown to change, and that the applicant only intends to use the trade mark as the name of a swimming team, not in the course of trade as is required by the Act. Ms Osgerby submitted that the applicant had satisfied the requirements for establishing intention to use through its evidence of use since 1998 and the act of the application itself. She also referred me to the case of *Aston v Harlee Manufacturing Company* (1960) 103 CLR 391 (*Aston v Harlee*) and *Intel Corporation v Magmatex International Pty Ltd* (1998) 41 IPR 406. (*Intel*)

12. The making of a trade mark application is prima facie indication of intent to use that trade mark. (*Aston v Harlee*). The burden of proof is squarely placed upon the opponent to provide evidence of the applicant's negative intent. Whilst the opponent's submissions concentrate upon the fact that prior use of the subject trade mark is limited to use in combination with a sponsor's name or sponsor's trade mark, there is no material provided to show that the trade mark applicant does not intend to use the trade mark solus. The 'DOLPHINS and device' trade mark is adapted to distinguish the goods and has no limitations placed upon its use, I am not satisfied that the trade mark could not be used solus and as applied for. Additionally, I believe that current commercial realities of high-level sport and sporting merchandise readily afford the use of a sponsor's trade mark alongside the trade marks designating a sporting team.
13. The opponent has not discharged the onus on it of displacing the prima facie evidence of the applicant's intention to use the mark in respect of the first of Mr Dredge's submissions.
14. Concerning the second leg of Mr Dredge's submissions, the applicant's evidence shows that the items of clothing on which the trade mark has been used have not been 'goods in trade' as contemplated by the definition of 'goods' in section 6 of the Act which provides:

goods of a person means goods dealt with or provided in the course of trade by the person.
15. This finding appears to lend some weight to the opponent's contention that the 'DOLPHIN and device' logo has not been used as a trade mark in relation to goods and must therefore fall foul of section 59. The applicant submits that the sponsorship and funding by Telstra Corporation Limited of the Australian swimming team's

general swimwear and apparel equates to use of the trade mark in relation to goods. I cannot agree with this submission although it might apply to sporting or entertainment services.

16. The distribution of a product free of charge does not normally involve trade in that product, see for example the cases of *Herron Pharmaceuticals Pty Ltd v Brown* - 45 IPR 321 involving t-shirts given away to promote farm safety, and *Hospital World Trade Mark* [1976] RPC 595 wherein a free journal advertising medical products was held not to constitute use of the trade mark on the journal.
17. I consider that the applicant's evidence of its past use of the opposed sign of swimwear which was given away, and the similar evidence of the opponent, raise inferences about the way in which the applicant intends to use the trade mark in the future. These inferences have not been addressed by the applicant in its evidence whilst it should have been relatively easy for the applicant to do so. Accordingly, the principle in *Jones v Dunkel* (1959) 101 CLR 298 applies and I accept the inference that the applicant's future use of the sign on swimwear will be consistent with its past use of that sign. In line with *Ducker's Trade Mark* (1928) 45 RPC 397, I am not satisfied of the applicant's intention to use the trade mark on goods in trade.
18. Taking all of the above into account, I am satisfied that the opponent has established its ground of opposition in relation to section 59 of the Act.

Section 44

19. Section 44 provides, inter alia, for refusal of a trade mark if it is deemed to conflict with a prior application or registration. To establish such conflict, the opponent requires:

- a application or registration with an earlier priority date than the ‘DOLPHINS and device’ trade mark
- which is either substantially identical with, or deceptively similar to, the opposed trade mark, and is
- in respect of the same or similar goods.

20. Whilst the opponent owns several trade marks I will concentrate upon trade mark registration 626976, as this was the trade mark cited in examination, and is, I believe, the one of most concern to the parties:

Reg Number	626976
Priority date:	11 April 1994
Goods/Services:	Class: 9 Protective swimwear for protection during deep water activities; protective and other swimwear having a predominantly protective nature Class: 25 Protective swimwear for use while surfing and doing other water based activities
Trade Mark:	DOLPHIN

21. The subject trade mark is a divisional trade mark and has a priority date of 22 December 1998. Despite this divisional status, the cited registration of DOLPHIN has an earlier priority date and thus fulfils the first requirement for making out a ground pursuant to section 44.

22. It is agreed by the parties that the trade marks are, on a side by side comparison, obviously not substantially identical. Therefore, I need to decide if the trade marks in question, ‘DOLPHIN and device’ and DOLPHIN are deceptively similar.

23. Deceptive similarity is to be assessed according to the test stated by Windeyer J in *The Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1961) 109 CLR 407 at 415:

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. Similarly, Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641, at page 658, state:

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.

25. In *Re Application by the Pianotist Co Ltd* 1A IPR 379 at 380; (1906) 23 RPC 774 at 777, Lord Parker (then 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.

26. Additionally, deceptive similarity is defined in terms of section 10 of the Act:

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.

27. Mr Dredge submitted that the word DOLPHIN is the primary feature of both trade marks. The singular form of DOLPHIN would easily be confused with the plural DOLPHINS, on par with the BLADE and BLADES trade marks found to be deceptively similar by Hearing Officer Williams in *Oakley, Inc v Manta Surfing Products Pty Ltd* 1996 ATMO 30, wherein it was said that “the singular versus plural

issue is not a sufficient demarcation”. Mr Dredge also drew my attention to the cases of *Herron Pharmaceuticals Pty Ltd v Brown* - 45 IPR 321, where the plain word GOANNA was considered deceptively similar to a logo of a goanna, and *Wellness Pty Limited v Pro Bio Living Waters* [2004] FCA 438, where LIVING WATERS was found to be substantially identical to LIVING WATER.

28. Ms Osgerby submitted that the net impression of the two marks as wholes was important, and that the visual impressions are different in this case. The opponent has the plain word DOLPHIN, whilst the subject application has a device of three stylized dolphins. The comparison is not DOLPHIN versus DOLPHINS per se, the device cannot be ignored. There are currently a large number of trade marks co-existing on the register that incorporate the word DOLPHIN in some manner, the fact that the opponent has the plain word DOLPHIN for these goods does not offer a monopoly on all words and devices conveying the same idea. Ms Osgerby drew my attention to a number of cases outlining the procedure for deciding a question under section 44, including the important observation of Mason J in *Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR 353:

“...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.”

29. Thus, argues the applicant, the ‘total impression’ of the trade marks in question is different, and the notoriety of the applicant’s ‘DOLPHINS and device’ trade mark only diminishes any danger of deception and confusion occurring in the marketplace.

30. I agree that the word DOLPHIN is a major part of both trade marks, in one case constituting the trade mark in total. However, I also agree that the device of three

stylized dolphins cannot be simply ignored. Whilst it cannot be ignored, consumers will more naturally refer to the word portion of the trade mark when ordering a product, and DOLPHIN versus DOLPHINS is close enough to give rise to deception even though the accompanying device in the subject trade mark is not an ordinary depiction of a dolphin. In considering this I am mindful of cases such as *Leroy SA v Regal Grange Pty Ltd* (2001) 51 IPR 199 where LEROY and ‘LEFROY VALLEY plus device’ were found to be in conflict, and *Havana Club Holding SA v Pac-Rim Management Services Ltd* (1998) 43 IPR 177 wherein ‘HAVANA CLUB plus device’ and CLUB HAVANA OF CANBERRA were considered deceptively similar. I consider ‘DOLPHINS and device’ and DOLPHIN to be in the same category of trade marks as these prior cases.

31. I do not consider that any notoriety exists in the trade mark applicant’s ‘DOLPHINS and device’ trade mark which would lessen the likelihood of consumer confusion. I consider that DOLPHIN and ‘DOLPHINS and device’ would be remembered in the same way by consumers, and would be referred to simply as “the dolphin” trade mark. Even allowing for the fact that clothing is generally bought with the trade marks available for inspection, I am satisfied that the risk of deception or confusion is high. I believe that there are a significant number of people who would simply take ‘DOLPHINS and device’ to be the same as DOLPHIN or simply an extension of the DOLPHIN brand. I am convinced that there is a real danger of confusion if the subject trade mark was to be used on the same goods, or goods of the same description, as those covered by the DOLPHIN trade mark.
32. Accordingly, I now need to consider whether the goods of the parties are the same or are goods of the same description. The subject trade mark was accepted for the goods

of “Clothing, swimwear but excluding protective swimwear, caps, hats, visors, footwear” in class 25. The DOLPHIN trade mark is registered for goods in classes 9 and 25 as described above in paragraph 20, and I will concentrate on the class 25 claim. The subject application was amended specifically to exclude goods thought to conflict with the class 25 claim of the cited DOLPHIN registration.

33. Clearly the goods are not the same goods, however it is not so clear whether they are goods of the same description. The opponent submits that all clothing fundamentally protects its user; that the protective nature of the clothing is subordinate to its function as clothing due to its classification in class 25 rather than class 9; and that the exclusion is meaningless and impractical in a commercial sense. The applicant contends that the opponent is a specialist wetsuit and protective swimwear manufacturer using specialist shops or mail order sales, and that the customers of the respective trade marks would be different.

34. A number of factors can be used as guidance in determining the question of goods of the same description. The High Court approved a decision of the British Assistant Comptroller in *John Crowther & Sons (Milnsbridge) Ltd's Appn* (1948) 65 RPC 369, wherein the concepts of the nature and characteristics of the goods; the purpose or use of the goods; and the trade channels of the goods were discussed. No one factor is conclusive in itself. In this case the nature of the goods is similar; they are all articles of clothing or garments to be worn. I agree with the opponent in that its class 25 specification is primarily one used as clothing and swimwear with the protective nature of the garments clearly subordinate to their use as general items of wear. I conclude that the goods are used for the same purposes. The trade channels of the parties may not be the same, as there is evidence to support the applicant's contention

that the goods of the opponent utilize somewhat limited channels. However, I am satisfied that the goods are goods of the same description. Thus the subject trade mark has a later priority date than the cited DOLPHIN registration, is deceptively similar and covers goods of the same description. The two trade marks conflict.

35. During the course of examination, evidence was provided to show that the subject application fulfilled the provisions of subsection 44(3)(a) and should be accepted on the basis of honest concurrent use. I cannot find the ground of opposition successful if indeed there has been honest concurrent use of the ‘DOLPHINS and device’ trade mark, and I will now consider the principles found in *Re Alex Pirie & Sons Ltd’s Application* (1933) 50 RPC 147 and *Re John Fitton & Co Ltd’s Application* (1949) 66 RPC 110 in assessing whether any use of the subject trade mark has been “honest concurrent use”.

36. The five principles found in these cases can be expressed as:

- Honesty of the adoption and concurrent use
- The extent of use in time and quality
- The degree of confusion likely to ensue
- Have any instances of deception in fact occurred and
- The relative inconvenience if the trade mark was registered

37. Mr Dredge submitted that there was no evidence of use showing sales of goods to end consumers and therefore there can be no concurrent use. He also questioned the honesty of the adoption of the trade mark, and stated that there had been no instances of deception in the marketplace because the subject trade mark wasn’t being used in the marketplace. Ms Osgerby contends that the provisions of subsection 44(3)(a) were correctly applied by the examiner and that the honesty of the applicant should be

a more important factor than the other principles. Also, she submitted that other special circumstances exist in this case, due to the notoriety to the general public of the 'DOLPHINS and device' trade mark.

38. Of the above criteria, the most important factor is the “honesty” of the concurrent user, “for if the concurrent use is not honest it is as nothing”: per Mr Myall in the *Granada* case [1979] RPC 303 at 313. Of the requisite “honesty” to be exercised, Romer J stated in *Re JR Parkington & Co Ltd's Application* (1946) 63 RPC 171 at 182–3

It is commercial honesty, which differs not from common honesty, that is the criterion; and it is commercial honesty alone that can found a basis for the commercial claims to which Sargant J referred in *Maeder's* case (1916) 33 RPC 77

39. The onus is on the applicant to make out or establish its case of honest concurrent use. This onus must extend to the honesty with which the applicant presents its case to the Registrar's delegates, which includes the initial examiners, as found in *Medicon Eg Chirurgiemechaniker-Genossenschaft v Medison Co Ltd* - 48 IPR 397. I consider that the applicant has not fulfilled the requisite standard of honesty in its concurrent use of the trade mark, as claims made to the examiner in the course of providing evidence of concurrent use fall short of an honest portrayal of the facts.
40. The statutory declaration used to obtain acceptance of the trade mark pursuant to subsection 44(3)(a) was tendered into evidence by the opponent, with some details obscured due to *Freedom of Information* requirements - including the declarant's name. However, this name was submitted by the applicant in the course of the hearing, and I will refer to the declaration as the Murray declaration. In the Murray declaration the declarant made “a solemn declaration conscientiously believing the

statements in this declaration to be true in every particular”. In paragraph 9 of the Murray declaration it is declared that:

“Tabulated below is the estimated total value of goods sold and services provided bearing the Trade Mark in Australia, since use of the Trade Mark began in 1989”.

This is followed by a table of sales figures.

41. This solemnly and sincerely declared statement is simply not true. To date no sales of goods have occurred. Whilst merchandise has certainly been manufactured, most likely up to the values listed as “sales figures”, the fact remains that none of the goods have been sold. I accept unquestioningly the applicant’s submissions that its “recent commercial plans for sales of goods bearing the trade mark largely have been put on hold awaiting the outcome of the subject opposition”, however this submission directly contrasts with the sworn evidence of the Murray declaration. In these circumstances I am not satisfied that the applicant portrayed its evidence of use in an entirely honest light to the examiner, and as such I am not prepared to apply the provisions of subsection 44(3)(a).

42. As I have found that the application does not meet the requirements for honesty of use, there is no need for me to look further into the factors of honest concurrent use, and I find the opposition successful under section 44.

Section 60

43. Section 60 provides:

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

60. 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.

44. I have already decided that the applicant's 'DOLPHINS and device' trade mark is deceptively similar to the opponent's DOLPHIN trade mark. This being the case I now need to decide whether or not at the priority date of the subject application, 22 December 1998, the opponent's DOLPHIN trade mark had acquired a reputation in Australia. If such a reputation exists, I need to decide if it is such that use of the applicant's trade mark on the goods specified in its application would be likely to deceive or cause confusion.

45. The Christie declaration shows the adoption and use and evolution of the DOLPHIN trade mark. It contains sales figures, advertising expenditure and material showing promotion of the trade mark. From this material I am not convinced that the opponent has fulfilled the onus upon it and shown that it had the requisite reputation in its trade mark in Australia at the relevant date. Thus, I am not satisfied that use of the applicant's trade mark on the goods claimed would be likely to deceive or cause confusion. The opponent has not established its ground of opposition under section 60.

Section 62

46. Section 62 provides:

Application etc. defective etc.

62. The registration of a trade mark may be opposed on any of the following grounds:

(a) that the application, or a document filed in support of the application, was amended contrary to this Act;

(b) that the Registrar accepted the application for registration on the basis of evidence or representations that were false in material particulars.

Note: For *file* see section 6.

47. The opponent submitted that part (b) of section 62 should be taken as established due to the differences in the evidence presented during the course of examination and the evidence served during the opposition process. The application was accepted under the provisions of subsection 44(3)(a) on the strength of the Murray declaration and its exhibits, as explained above in paragraphs 40-41. The Murray declaration stated an estimated total value of goods and services provided bearing the trade mark in Australia, giving the distinct impression that sales of goods had occurred. These ‘sales figures’ were taken into account by the examiner, and partially justified the decision to apply the provisions of subsection 44(3)(a). However, due to the evidence and submissions of the applicant filed during the opposition proceedings, it is now clear that no actual sales of goods bearing the trade mark have occurred.
48. The applicant has submitted that these differences are merely imprecise statements, and in line with the decision of Hearing Officer Purvis-Smith in *Stepsam Investments Pty Ltd v Time Warner Entertainment Co* [2002] AIPC 91-830 (Harry Potter case) I must find that the statements were not intended to give a false impression. The case before me however, can be distinguished from the Harry Potter case in two main ways.
49. In the Harry Potter case the contested material was never served in the course of the opposition. Here, the whole case file including the Murray declaration has been served during the course of the opposition. The applicant therefore, was aware of the section 62 ground and the evidence served, and had an opportunity to present a more

substantial answer for the discrepancy, yet failed to do so. Secondly, the Harry Potter case involved a fine distinction between use of the words “in Australia”, and the opponent’s contention that this amounted to a claim of “throughout Australia”. I am dealing with no such fine distinction in this case. There were no erroneous presumptions by either the examiner or the opponent, simply reliance upon information put forward in a false manner which amounts to misleading conduct by the applicant.

50. I am satisfied that had the true situation been clear to the examiner, the provisions of subsection 44(3)(a) would not have been applied and the trade mark would not have been accepted. As such, I believe the Registrar accepted the subject application for registration on the basis of evidence or representations that were false in material particulars. Accordingly, I find the opposition successful under section 62.

Conclusion and costs

51. I have found that the opponent has established its grounds under sections 59, 44 and 62 of the Act. Therefore, as a delegate of the Registrar I refuse registration of the application. As the opponent has established its opposition and is entitled to its costs, I order that the applicant pay the opponent’s costs in the matter, in accordance with the official scale.

Rachel Dunn
Senior Examiner
Trade Marks Hearings
29 October 2004