Madderns
28 SEP 2010

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Re: Opposition by 10 Deep Clothing Inc to registration of trade mark application 1180287(25) - **BRASS KNUCKLE (KNUCKLE DUSTER) LOGOFORM AND DEVICE** - filed in the name of Anthony Farrin DeBoos.

Your ref: 33902N LLE:MMC

Dear Opponent

I refer to the recent hearing, held in Canberra on 20 August 2010, in relation to the above opposition matter.

I have now had the opportunity to review all of the relevant material and decide this matter. Attached is my decision, including written reasons, made as the delegate of the Registrar.

This decision can be appealed in the Federal Court. Please note the provisions of the Federal Court Rules Order 58, Rules 4(2) and 4(2A) which read, respectively:

> (2) An appeal must be instituted *[at the Federal Court]* within 21 days after the date of the decision appealed from or within such further time as the Court, on application, fixes, unless a law of the Commonwealth provides otherwise.
>
> (2A) The notice of appeal must be served on the Commissioner (in this case, the Registrar) and all other parties to the appeal within 5 days of the day on which the notice of appeal is filed.

Yours sincerely

Ian Thompson
Hearing Officer
Trade Marks Hearings

20 September 2010

TRADE MARKS ACT 1995

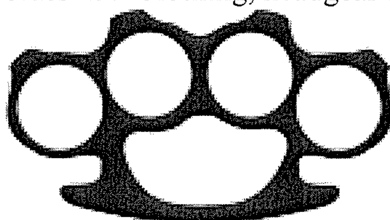
DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by 10 Deep Clothing Inc to registration of trade mark application 1180287(25) - **BRASS KNUCKLE (KNUCKLE DUSTER) LOGOFORM** - filed in the name of Anthony Farrin DeBoos.

DELEGATE:	**Iain Thompson**
REPRESENTATION:	**Opponent: Louise Emmett of Madderns, patent and trade mark attorneys** **Applicant: Siobhan Ryan of counsel, instructed by Davies Collison Cave, patent and trade mark attorney**
DECISION:	**2010 ATMO 90** **S52 proceedings; substantial identity of trade marks, s58 opponent's evidence, most likely inference that the opponent had prior use of its trade mark. Opposition established.** **Costs awarded against applicant.**

Background

1. In this matter Anthony Farrin DeBoos of Kew, Victoria, ('the applicant') has applied under the *Trade Marks Act 1995* ('the Act') to register a trade mark current details of which appear below:

Application No:	1180287
Priority Date:	6 June 2007
Goods:	Class 25: Clothing, headgear and footwear
Trade Mark:	

('The opposed trade mark' or 'knuckle duster' device)

2. The application was, in conformity with section 31 of the Act, examined and subsequently accepted for possible registration and advertised as such in the *Australian Official Journal of Trade Marks* on 11 October 2007.

3. On 11 April 2008, after seeking and receiving an extension of time in which to do so, 10 Deep Clothing Inc of Brooklyn, New York, ('the opponent') filed Notice of Opposition to the registration of the trade mark. The grounds of opposition include one under section 58 which was the main ground argued by the opponent and is that under which this opposition is most conveniently decided.

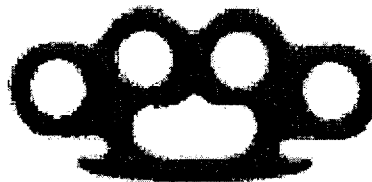
4. The hearing was before me as a delegate of the Registrar of Trade Marks in Canberra on 20 August 2010. Louise Emmett of Madderns, patent and trade mark attorneys, represented the opponent and Siobhan Ryan of counsel, instructed by Davies Collison Cave, patent and trade mark attorneys, represented the applicant.

The evidence

5. The evidence comprises a statutory declaration in support of the opposition by Scott Alexander Sasso dated 18 November 2008, a statutory declaration in answer by Antony Farrin DeBoos dated 27 July 2009 and two statutory declarations in reply, these being by Steele Saunders (dated 16 November 2009) and Shaun Gamarra (dated 4 December 2009).

6. Mr Sasso is President of the opponent and states that he established his business in 1995 and formed the opponent in February 2002.

7. Mr Sasso declares that the trade mark appearing below was adopted for use in August 2002 by the opponent for use in relation to clothing and has been in use by the opponent since that time:



8. I will call the opponent's trade mark the 'brass knuckle' trade mark in order to differentiate it from the opposed (knuckle duster) trade mark. This convenient distinction is linguistic and does not necessarily reflect any substantial difference between the trade marks of the parties.

9. Supporting his claim of such use, Mr Sasso exhibits to his declaration:

   a) copies of clothing tags used on [the opponent's] goods in 2004 and 2005; and,

b) a copy of [the opponent's] catalogues dating from Spring/Summer 2004 to Holiday (December) 2007 showing the BRASS KNUCKLE Logo on women's and men's T-shirts, jumpers, women's and men's sweaters, jackets, polo shirts, women's and men's hooded tops, rugby tops, shirts, caps, ski hats, scarves and a 3 dimensional BRASS KNUCKLE figure.

10. Mr Sasso also exhibits to his declaration extracts from various publication which have featured the opponent's goods which bear the brass knuckle trade mark. These include:

    a) 2003 edition of *Mass Appeal* magazine;
    b) 22 January 2004 edition of *Rolling Stone* magazine;
    c) April/May 2004 edition of *Complex* magazine;
    d) May 2004 edition of *XLR8R* magazine;
    e) March 2005 edition of *Fader* magazine;
    f) December 2005 edition of *Fader* magazine;
    g) December 2006 edition of *The Source* magazine;
    h) 2006 edition of *Mass Appeal* magazine;
    i) February 2007 edition of *Mass Appeal* magazine; and
    j) August/September 2007 edition of *Acclaim* magazine.

11. Mr Sasso states (and this is not challenged by the applicant) that at least the publications *Rolling Stone*, *Fader* and *Mass Appeal* are or have been available in Australia through major retailers such as Borders Bookstores.

12. Mr Sasso declares:

> Since at least as early as November 2004, [the opponent's] goods have been displayed on, and available for purchase via, its website www.10deep.com. [The opponent's] clothing has also been available for purchase through other online retailers, including Digital Gravel and Turntable Lab, since 2000/2001. Now shown to me and marked "SAS4" are extracts from the website at www.10deep.com featuring the BRASS KNUCKLE Logo, in particular, clothing bearing the BRASS KNUCKLE Logo, which is currently available for purchase by persons throughout the world, including Australia. The website at www.10deep.com also features copies of 10 Deep's catalogues. The first catalogue that was made available through the website was the Fall 2004 catalogue. A copy of this catalogue is included with Exhibit "SAS2", referred to in paragraph 5 above. All of [the opponent's] catalogues since this time have been available through the website.

13. Mr Sasso does not include any evidence of sales to Australia via the Internet or the number of 'hits' or visits to the websites by Australians. However, Mr Sasso states:

Other than via the internet, [the opponent's] goods bearing the BRASS KNUCKLE Logo have been available for purchase in Australia, via a local distributor, since November 2004. Now shown to me and marked CONFIDENTIAL "SASS" are copies of a selection of invoices dated 20 November 2004, 27 November 2006 and 15 January 2007 for goods shipped to Royal Yard in St Kilda, Victoria, Australia. In particular, the goods shipped to, and sold in, Australia consist of T-shirts, sweat shirts, hooded tops, rugby tops, knit caps, track tops and polo tops.

A number of [the opponent's] goods sold in Australia by Royal Yard since 2004 featured the BRASS KNUCKLE Logo. More specifically, the invoices issued to Royal Yard dated 20 November 2004, 27 November 2006 and 15 January 2007 (to which I refer above) list goods supplied to Royal Yard (and subsequently sold in Australia) which featured the BRASS KNUCKLE Logo. Each item listed on a particular invoice issued by 10 Deep has a corresponding "Item Code". [The opponent] keeps a photographic record of all items supplied, which are catalogued according to their relevant "Item Code".

Now shown to me and marked "SASE" are images of the following items supplied to Royal Yard under invoice dated 20 November 2004 and featuring the BRASS KNUCKLE Logo:

a) Item Number D4B1, a sky blue hooded top with an embroidered badge featuring the BRASS KNUCKLE Logo;

b) Item Number S4CA, a pink checked button down shirt featuring the BRASS KNUCKLE Logo above the pocket;

c) Item Number S4PR, a pink and white striped and a black and white striped rugby top, each with an embroidered badge featuring the BRASS KNUCKLE Logo; and

d) Item Number T3LV, a T-shirt with label featuring the BRASS KNUCKLE Logo

Now shown to me and marked "SAS7" are images of the following items supplied to Royal Yard under invoice dated 27 November 2006 and featuring the BRASS KNUCKLE Logo:

a) Item Number T9CR, a T-shirt with emblem and label both featuring the BRASS KNUCKLE Logo; and

b) Item Number T9X2, a T-shirt with emblem and label both featuring the BRASS KNUCKLE Logo.

Now shown to me and marked "SAS8" are images of the following items supplied to Royal Yard under invoice dated 15 January 2007 and featuring the BRASS KNUCKLE Logo:

a) Item Number T9HP, a T-shirt with label featuring the BRASS KNUCKLE Logo;

b) Item Number J903, a hooded top featuring the BRASS KNUCKLE Logo on the front and hood;

c) Item Number T9OP, a T-shirt featuring the BRASS KNUCKLE Logo on the front and hood; and

d) Item Number S901, a hooded top featuring the BRASS KNUCKLE Logo on the front and hood.

[The opponent's] goods bearing the BRASS KNUCKLE Logo have continuously been available in Australia since at least as early as November 2004 and sales of such goods in Australia have steadily increased since that time.

14. In his evidence in answer Mr DeBoos declares:

> I studied graphic design at Victoria University from 2005 to 2007 inclusive. I now work as a graphic designer and in the course of my work I develop designs both for my own use and for the use of others. I am employed by a company named Tee Shirt Graphics Pty Ltd ("TSG"), creating graphic designs for them and their customers. I also do freelance work for third parties such as Pacific Brands Pty Ltd, and for myself. At all relevant times I have been trading under the name "Angry Beaver".
>
> Part of my work, as an employee of TSG, on my own behalf and on behalf of my freelance clients, comprises creating graphic designs for clothing including t-shirts. In about March of 2007 I decided to produce a range of clothing including t-shirts incorporating designs of mine including a knuckle duster logo.
>
> I came up with the idea of the knuckle duster logo because I was aware of the general interest in exotic weapons and the projection of a "macho" street wise image among the late teenage male market. Once I had decided on a knuckle duster design I went to the Google "Images" site for images of knuckle dusters. The Google Images site is one which displays images of the nominated search object from a variety of sources. Currently the site displays 32,800 knuckle duster images. I am unable to say how many such images were displayed when I searched the site in 2007 as I do not now have a copy of my search and the site is blocked on "archive.org". I do know and I clearly recall that very many images were shown including images of a more or less "basic" knuckle duster shape. The Google Images site includes images from Wikimedia Commons which are copyright free. Attached as Exhibit "AFD1" is a print out of the first page of a current "knuckleduster" search from Google Images. Attached as Exhibit "AFD2" is a print of a copyright free knuckle duster image from Wikimedia taken from the Google Images site. I downloaded an image from the site and produced from it a two-dimensional image which became the basis for my design.
>
> In my search of Google Images I did not see a knuckle duster image attributed to 10 Deep.

> I developed the [logo] as the trade mark and logo for a range of t-shirts which I produced and which were to be sold under the brand name "Elias". The range was to be sold through a retail outlet operated by a friend of mine through his company, Tsakloth & Ashes Pty Ltd ACN 110 865 524 ("T&A"). T&A operated retail premises in Chapel Street, South Yarra. This was the flagship store for the "Mooks" and "Mossimo" ranges of clothing. The "Mooks" and "Mossimo" brands are owned by Pacific Brands Limited, for whom I supply designs from time to time, including for the "Mooks" and "Mossimo" ranges.
>
> I developed a range of designs for t-shirts in the Elias brand range. In all, I produced 8 designs of which 7 incorporate the First Logo. Attached to this declaration and marked Exhibits "AFD5", "AFD6", "AFD7", "AFD8", "AFD9","AFD10" and "AFD11" are photographs of the t-shirts bearing the 7 designs in the Elias brand range which I designed and which incorporate the First Logo. Attached to this declaration and marked Exhibit "AFD12" is a photograph of a t-shirt in the Elias range featuring the design I produced which does not incorporate the First Logo.
>
> In September, 2007 I arranged for 309 t-shirts to be produced for the Elias range. Each of these t-shirts featured one of the designs referred to in paragraph 9 above. Attached to this declaration and marked Exhibit "AFD13" is a copy of the invoice from Heat Print Australia in respect of the said t-shirts.

15. I take from the above that such t-shirts which were sold bearing the knuckle duster 'design' were sold after September 2007, which is after the priority date of this opposed application: 6 June 2007. I also comment that it is curious that Mr DeBoos refers to a design rather than a trade mark.

16. And in evidence in reply Steel Saunders who is General Manager of Spitfire Distributors (which distributes clothing) declares:

> I first heard of [the opponent's] clothing in around 2005 when I visited the United States. I saw the brand at a trade show in Las Vegas and also at a friend's retail store in Los Angeles (Hot Rod in Westwood). My friend had [the opponent's] product in his store and suggested I check it out for distribution in Australia. I also became aware of [the opponent] through street fashion blogs.
>
> We handle Australasian distribution for [the opponent] and so we are dealing in the brand on a daily basis. It is, and has always been since we commenced distributing the brand around 3 years ago, part of my role in dealing with [the opponent] to also help promote it. We do this through web blogs, magazine editorial, print advertising and the sponsoring of nightclub events.
>
> [The opponent's] logo appears on every piece of [its] merchandise either as a featured print or as a "hidden" discrete logo placement. For example, in around 2006, [the opponent's] Crack Zip Hood, an all over printed hooded fleece top that featured the logo repeatedly, was one of the hottest pieces of clothing in

streetwear. The logo is also used independently of the [opponent's] name on some items, for example, we have stickers that feature only the logo.

We ordered our first delivery of [the opponent's] clothing from [the opponent] in or around February 2007.

We had 7 initial stockists in Australia who had pre-ordered [the opponent's] clothing for our first order: *Apartment* in Brisbane, *Edukated* in Adelaide, *Footage* in Sydney, *Highs & Lows* in Perth, *Level 3* on the Gold Coast, *Provider* in Melbourne and *Stussy* in Melbourne. We send out catalogues and price lists to our stockists in advance and then take their orders. We received our first delivery of [the opponent's] clothing in or around July 2007 and we then distributed this delivery to these initial stockists for sale in their retail outlets. We have been distributing [the opponent's] clothing since this time and we now have 13 stockists in Australia in NSW, Queensland, SA, Victoria and WA. A list of our current stockists is included in the print-outs from the website attached and marked "SI". I am aware that [the opponent's] clothing was sold in a couple of shops in Australia before we commenced distributing the brand.

17. I summarise that Mr Saunders states that he first ordered clothing from the opponent in February 2007 and these arrived in July 2007. It is not explicit in the evidence but I also draw the inference that Mr Saunder's business, Spitfire Distributors, replaced Royal Yard as distributors of the opponent's goods in Australia in around January or February 2007 as Mr Sasso's evidence mentions that the last shipment of goods to Royal Yard was in January 2007.

18. The second declaration in reply is by Mr Gamarra who is the Director of the Edukated Store which is mentioned in the preceding quotation. He declares:

Edukated's website is at www.edukated.com.au. We stock a number of labels including [the opponent's]. Attached to this Declaration and marked "SG1" is a print-out of the home page of Edukated's website and print-outs from the section of the website featuring [the opponent].

[The opponent] is one of the most reputable street wear brands. I have been skateboarding all my life and I have been wearing [the opponent's] clothing since 1997/1998. Back then, friends would send me through [the opponent's] clothing from New York and LA. [The opponent] started with two guys in the mid-90's making their own clothing and it has developed organically since then and never lost its street credibility. [The opponent's] logo is iconic to the [its] brand.

I have been unable to confirm when we ordered our first delivery of [the opponent's] clothing but my recollection is that we ordered our first delivery of [the opponent's] clothing through Spitfire Distribution in late 2006. We have continued to stock [the opponent's] clothing and the value of our orders has

steadily increased. [The opponent's clothing] has really taken off in Australia in the last three years and it is now in its prime.

Onus

19. The opponent bears the onus of establishing one or more grounds of opposition on the balance of probabilities: *Pfizer Products Inc v Karam* [2006] FCA 1663. See also *Chocolaterie Guylian N.V. v Registrar of Trade Marks* [2009] FCA 891 at [22] to [26].

Section 58

20. Section 58 of the Act provides:

> **Applicant not owner of trade mark**
> **58.** The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.
> Note: For ***applicant*** see section 6.

21. Section 17 of the Act provides:

> **What is a trade mark?**
> **17.** A ***trade mark*** is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.
> Note: For ***sign*** see section 6.

22. The general principle which lies behind section 58 is that either the first person to use a trade mark in Australia in relation to particular goods or services, or the first person to make application to register that trade mark in relation to those goods or services, whichever is the earlier, is the owner of that trade mark in relation to those particular goods and services (or, if the trade mark has been earlier used, on goods or services which are 'the same kind of thing' as those goods or services on which the trade mark has been used.).

23. Therefore, to succeed under section 58, an opponent must show that, on the balance of probabilities, it has (before either the filing date, or any use of the trade mark by the applicant – whichever is the earlier) used a trade mark in the course of trade in Australia which is at least substantially identical to the opposed trade mark, in relation to goods or services which are the same kind of thing as those in respect of which the opposed application seeks registration.

24. As the applicant did not use his trade mark before applying to register it as a trade mark, the relevant date is the filing date of the opposed application: 6 June 2007.

25. Given that the parties' goods are the same kind of thing, the questions thus become whether the opponent's trade mark is substantially identical to the opposed trade mark and, if so, whether the brass knuckle trade mark was used in Australia by the opponent before the filing of the application to register the opposed knuckle duster trade mark on 6 June 2007. There are two aspects to the latter question: firstly whether the trade mark was used and secondly, whether that use was as a trade mark.

26. Concerning substantial identity, Ms Ryan argued that the two trade marks are quite different ways of representing a particular object. However, while I agree that there are a limited number of ways in which this object can be depicted, I do not consider that that fact impacts on the question as to whether or not the trade marks are substantially identical.

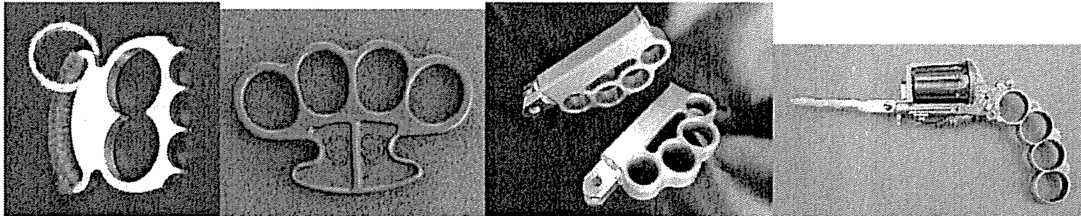
27. Substantial identity is to be assessed according to the test in *Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* [1963] HCA 66; (1963) 109 CLR 407, per Windeyer J at page 414:

> 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. "The identification of an essential feature depends", it has been said, "partly on the Court's own judgment and partly on the burden of the evidence that is placed before it": *de Cordova v. Vick Chemical Co.* (1951) 68 RPC 103, at p 106. Whether there is substantial identity is a question cf fact: see *Fraser Henleins Pty Ltd v. Cody* [1945] HCA 49; (1945) 70 CLR 100 , per Latham C.J. (1945) 70 CLR, at pp 114, 115, and *Ex parte O'Sullivan; Re* Craig (1944) 44 SR (NSW) 291, per Jordan C.J. (1944) 44 SR (NSW), at p 298, where the meaning of the expression was considered. Judging by the eye alone, as I think is proper for the determination of substantial identity, my opinion is ....

28. Some objects, particularly in silhouette, lend themselves to a classic or commonplace depiction that any other depiction of the same object is going to appear either identical or substantially identical when assessed under the test in *Shell*, above. For example, the profile of a unicorn head, in silhouette, is likely to be rendered in a very limited number of ways and substantial identity is likely to exist between two representations which have been independently arrived at. The first person to use such a trade mark on particular goods is therefore likely to be able to preclude others from claiming ownership of such a representation.

29. Here, both trade marks are rendered in silhouette, the outlines of the silhouettes are very similar, the trade marks both have the same 'cut-out' below the finger holes and both have the same 'horns' to the sides of the cut-out. Depending on whether one is influenced by British or American cultures, either trade mark will be identified as a brass knuckle (American) or as a knuckle duster (British) – I suspect the former description would be most usually used amongst younger Australians who are the target market for the goods of the parties.

30. Despite the applicant's claims that there are limited ways of representing the trade mark, there are a number of different ways to represent this object. The applicant's evidence refers to images of the object found on the Internet. In looking at Google Images one also finds the following images of knuckles dusters:



31. I consider that it is more accurate to say that (amongst the range of knuckle duster images) there is a 'classic' knuckle duster design and that the parties have both independently alighted upon this image, in silhouette. Compared side by side, there are no substantial differences between the parties' trade marks.

32. I find that trade marks of the parties are at least substantially identical.

Use of the opponent's trade mark

33. There are three ways in which the opponent claims to have used its trade mark within Australia prior to 6 June 2007:

    (1) Sales of clothing featuring the the opponent's brass knuckle design to Royal Yard between November 2004 and January 2007;

    (2) Marketing of the opponent's clothing to retailers by Spitfire Distribution prior to 6 June 2007; and,

    (3) Availability of clothing bearing the opponent's brass knuckle trade mark for purchase from its website since November 2004.

34. At the outset of these considerations, I note that in this forum the decision-maker does not require evidence which is of the same standard as that which is required by a Court. Frequently, the decision maker has to look at the evidence as a whole and make inferences which are (on the balance of probabilities) consistent with that evidence. If the decision maker is wrong in the inferences that he or she draws from the evidence, considered as a whole, the parties may rectify this by subpoenaing appropriate documentation on 'appeal' to the Court. Thus, while Ms Ryan is correct in her observations about the shortcomings in the opponent's evidence, these shortcomings are not such that I cannot place weight on the opponent's evidence considered as a whole.

35. ***Item (1), above, Royal Yard.*** While Ms Ryan is quite accurate in her criticism of the evidence of the sales to Royal Yard (the exhibit evidence only demonstrates shipment as far as the West Coast of the USA), Mr Saunders (the Director of the current distributor, Spitfire Distributors) says in his declaration that, "I am aware that [the opponent's] clothing was sold in a couple of shops in Australia before we commenced distributing the brand." It is thus logical to infer that the opponent's clothing bearing its trade marks which was sold in Australia prior to February 2007 (when Spitfire Productions made its first order) arrived in Australia and was supplied to retailers via Royal Yard. This, on the balance of probabilities, is the most likely explanation of this evidence. It is more likely than not that the first shipment of the opponent's goods which bore the brass knuckle trade mark was on 20 November 2004. I also note that McGarvie J in *Settef SpA v Riv-Oland Marble Co (Vic) Pty Ltd* (1987) 10 IPR 401 was prepared to infer, in the absence of any indication that any consignment of goods shipped from Italy to Australia did not arrive, that the consignments reached the consignees.

36. ***Item (2), above, Spitfire Distribution***. In the *Re Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199, it was held that a trade mark is used in Australia if the goods are offered for sale in Australia but at the time they are offered for sale are actually only in transit to Australia. Mr Steel declares [emphasis added]:

> We ordered our first delivery of [the opponent's] clothing from [the opponent] in or around February 2007.
>
> We had 7 initial stockists in Australia who had **pre-ordered** [the opponent's] clothing for our first order: *Apartment* in Brisbane, *Edukated* in Adelaide, *Footage* in Sydney, *Highs & Lows* in Perth, *Level 3* on the Gold Coast, *Provider* in Melbourne and *Stussy* in Melbourne.

37. In other words, subsequent to February 2007, goods bearing the brass knuckle trade mark were en route to Australia having previously been sold to retailers by reference to the brass knuckle trade mark – most likely before 6 June 2007 as the length of time between order and delivery (in July) strongly suggests that the goods were shipped to Australia by sea.

38. ***Item (3), above, Internet sales***. As I have noted, the opponent has not provided any evidence of sales from its website (or any other) to Australia nor is there any evidence that the website specifically markets to Australians. A trade mark used on a website will not be used in Australia unless that website specifically targets Australian consumers. In *Ward Group Pty Ltd v Brodie & Stone Plc* [2005] FCA 471, Merkel J held:

> ...use of a trade mark on the Internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction where the mark is downloaded. However, as explained above, if there is evidence that the use was specifically intended to be made in, or directed or targeted at, a particular jurisdiction then there is likely to be a use in that jurisdiction when the mark is downloaded.

39. The fact that the opponent's trade mark was present on a website in the USA prior to 6 June 2007 is not evidence in itself that the trade mark was then in use in Australia.

40. On the balance of probabilities, having regard to the issues discussed at items (1) and (2) above, I consider that the opponent has established that it had used its trade mark in Australia before 6 June 2007.

Was the use as a trade mark?

41. In the recent decision *Nature's Blend Pty Ltd v Nestlé Australia Ltd* [2010] FCAFC 117, the Full Bench of the Federal Court said that the following matters are to be considered when deciding whether a sign has been used as a trade mark:

> 1. Use as a trade mark is use of the mark as a 'badge of origin', a sign used to distinguish goods dealt with in the course of trade by a person from goods so dealt with by someone else: *Coca-Cola Co v All-Fect Distributors Ltd* [1999] FCA 1721; (1999) 96 FCR 107 at [19]; *E & J Gallo Winery v Lion Nathan Australia Pty Limited* [2010] HCA 15; (2010) 265 ALR 645 at [43].
>
> 2. A mark may contain descriptive elements but still be a 'badge of origin': *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* [1991] FCA 310; (1991) 30 FCR 326 at 347- 348; *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 135 ALR 192; *Aldi Stores Ltd Partnership v Frito-Lay Trading GmbH* [2001] FCA 1874; (2001) 54 IPR 344 at [60].

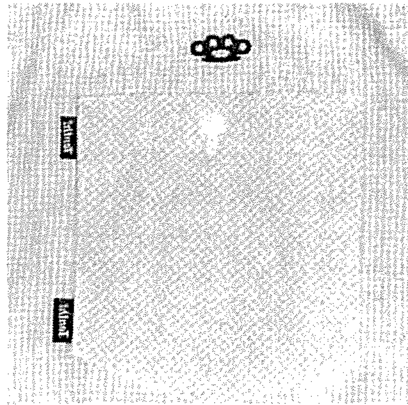
3. The appropriate question to ask is whether the sign would appear to consumers as possessing the character of a brand: *Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* [1963] HCA 66; (1963) 109 CLR 407 at 422.

4. The purpose and nature of the impugned use is the relevant inquiry in answering the question whether the use complained of is use 'as a trade mark': *Johnson & Johnson* at 347 per Gummow J; *Shell Company* at 422.

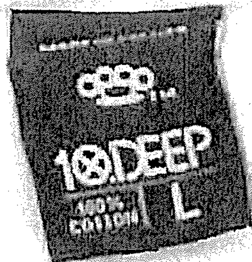
5. Consideration of the totality of the packaging, including the way in which the words are displayed in relation to the goods and the existence of a label of a clear and dominant brand, are relevant in determining the purpose and nature (or 'context') of the impugned words: *Johnson & Johnson* at 347; *Anheuser-Busch, Inc v Budějovick[yacute] Budvar, Národní Podnik* [2002] FCA 390; (2002) 56 IPR 182.

6. In determining the nature and purpose of the impugned words, the Court must ask what a person looking at the label would see and take from it: *Anheuser-Busch* at [186] and the authorities there cited.

42. Two examples of the opponent's use of its sign in the shipment of 20 November 2004 to Royal Yard appear below:



('the shirt pocket sign')



('the collar sign')

43. Ms Ryan submitted that the above uses of the sign were not as a trade mark, or, if use was as a trade mark, the collar sign was part of another trade mark, being a composite with the trade mark 10DEEP.

44. However, it appears to me that both the collar sign and the pocket sign function so as to indicate a connection, in the course of trade between the opponent and the goods on which they appear and to distinguish those goods from the goods of others: *Coca-Cola Co v All-Fect Distributors Ltd* [1999] FCA 1721; (1999) 96 FCR 107 at [19]; *E & J Gallo Winery v Lion Nathan Australia Pty Limited* [2010] HCA 15; (2010) 265 ALR 645 at [43].

45. The trade mark is factually distinctive within the contest of the above uses and has no reference to the character or quality of the goods except to designate them as the goods of the opponent: *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* [1991] FCA 310; (1991) 30 FCR 326 at 347- 348; *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 135 ALR 192; *Aldi Stores Ltd Partnership v Frito-Lay Trading GmbH* [2001] FCA 1874; (2001) 54 IPR 344 at [60].

46. The public is accustomed to seeing trade marks on, or above, the pockets of shirts – particularly casual or sports shirts. Similarly, the public is accustomed to seeing trade marks on collar labels. Thus the signs would most likely appear to be trade marks to the purchasing public. The signs are, in my consideration, unlikely to be taken as being mere ornamentation or pattern: *Johnson & Johnson* at 347 per Gummow J; *Shell Company* at 422.

47. Similar observations apply to a consideration of the totality of the ways in which the signs are displayed in relation to the goods. I have noted the applicant's submission that the collar sign is being used as a composite with the trade mark 10DEEP. However, many traders use different trade marks together – as for example a house mark and a trade mark which indicates, separately, the particular line in relation to which it is used. In *Wellness Pty Limited v Pro Bio Living Waters Pty Limited* [2004] FCA 438, Bennet J said, at paragraph 30:

> In *Anheuser-Busch Inc v Budejovick[yacute] Budvar, Národní Podnik* 56 IPR 182 ('Anheuser-Busch') at [155], Allsop J considered whether the impugned mark was the whole of "Budejovick[yacute] Budvar" or its component words. His Honour observed that the mark there was composed of two foreign words, placed in close proximity to each other, written in similar script and that they

received prominence on the label of equal proportion on the neck and slightly different prominence elsewhere. He concluded that the sign used to distinguish or intended to be used to distinguish the goods in the course of trade from other goods was the phrase consisting of the two words and that it would be so understood by relevant readers as a composite single mark.

In the present case, in addition to the matters raised by counsel and referred to above, there is use of PRO-BIO with LIVING WATERS (as in the logo), without LIVING WATERS (as on the container labels) and with other phrases (as in the third logo). These different uses indicate a separate purpose for the words PRO-BIO.

In my view, as used and as it would be understood by consumers, PRO-BIO is used to denote the company that is the origin of the range of waters collectively marketed and distinguished in the course of trade under the name LIVING WATERS. LIVING WATERS is thereby used as a separate trade mark.

48. I consider that the use of the brass knuckle in the collar sign appears to perform a similar function – it is, furthermore (within the context of a small neck label) separate from the house mark and appears to have some lettering alongside it to indicate its trade mark status. This function of the brass knuckle logo is underlined when the range of the clothing to which it is applied is considered as a whole (particularly in relation to the examples above) rather than item by item.

49. I do not consider that it is at all likely that a potential purchaser considering the above uses of the brass knuckle sign could understand that use to be something else than as a trade mark: *Anheuser-Busch* at [186].

50. I conclude that the opponent had used it brass knuckle trade mark before the filing date of the opposed trade mark as a trade mark within Australia in relation to clothing and is, as a consequence, the owner of the trade mark in Australia.

51. The opponent has established its ground under section 58.

Decision

52. 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;

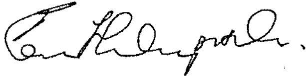
having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For ***limitations*** see section 6.

53. I refuse to register application 1180287.

Costs

54. As it has been successful, the opponent is entitled to its costs which I award against the applicant.



Iain Thompson
Hearing Officer
Trade Marks Hearings
24 September 2010