

Distinctiveness: s 41

The distinctiveness requirement under s 41 provides that a mark is only registrable if it is capable of distinguishing the applicant's goods/services (for which the mark is sought to be registered), from those of other persons (s 41(1)).

1. The first step is to determine whether the mark is inherently adapted to distinguish, to some extent but not sufficiently inherently adapted to distinguish (s 41(4)), or not to any extent inherently adapted to distinguish (s 41(3)) [the applicant's goods] from those of other traders. → place it on the spectrum

The starting point is the two-limbed test for distinctiveness developed by the HCA in *Cantarella*:

1. Establish the ordinary signification of the mark to any person in Australia concerned with the goods/services to which the mark is to be applied.
 - Consider the meaning of the mark to its *target audience* (same for foreign words)
 - Does it convey a meaning that would be *sufficiently tangible* to that audience?
 - Covert and skilful allusion? Or directly descriptive/laudatory?
 - Can't be sure for suggestive marks (medihemp ✗, rohoe ✗, tub happy ✓)
2. Determine the likelihood that other traders might legitimately need to use the mark in respect of their goods in its ordinary signification (negative test from *Clark Equipment*).

We may also consider the positive test used by the FCAFC from *Woolworths v BP*, since it is unclear whether it survives *Cantarella*.

- Do consumers recognise the mark as identifying the source of goods/services?

Shapes: *Kenman Kandy* (just an application of *Clark Equipment* – needs other traders)

- The shape that goods possess because of their nature or the need for a particular technical result cannot operate as a trade mark.

Colours: *Philmac* (just an application of *Clark Equipment* – needs other traders)

- A colour will only be inherently adapted to distinguish if it does NOT have:
 - Utilitarian function – performs a particular utility (conducting heat, reflecting light)
 - Ornamental function – conveys a recognised meaning (heat, danger, environmental)
 - Economic function – is the naturally occurring colour of the product
 - Competitive need – lots of other properly motivated traders using it

Conclude:

- Inherently adapted to distinguish → satisfies the distinctiveness requirement of s 41
- To some extent but not sufficiently inherently adapted to distinguish → **s 41(4)** → acquired distinctiveness?
- Not to any extent inherently adapted to distinguish → **s 41(3)** → acquired distinctiveness?

2. Has the mark acquired distinctiveness?

- **s 41(3)(b): Not to any extent inherently adapted to distinguish**
 - [Applicant] must have used the mark BEFORE the filing date to such an extent that the mark does IN FACT distinguish the goods/services of the applicant from those of others
 - High evidentiary threshold → mark must have become a "household name" (e.g. American Airlines, Whopper).
 - Only evidence BEFORE filing date allowed, to show distinctiveness AT the filing date.
- **s 41(4)(b): To some extent but not sufficiently inherently adapted to distinguish**
 - [Applicant] must prove that the mark DOES OR WILL distinguish the goods/services of the applicant from those of other traders. With regard to —
 - (i) The extent to which the mark is inherently adapted to distinguish

- Where does the mark fall? The stronger the mark's inherent adaptation to distinguish, the less evidence of use is needed: *Sports Warehouse*
- (ii) The use or intended use of the mark by the applicant
 - Evidence of use as a mark before filing date
 - Evidence of intended use at filing date (= evidence of use after filing date)
 - Mark should have been used in ISOLATION, consistently, and across all of the specified goods/services.
- (iii) Any other circumstance
 - Evidence of foreign registrations
- **Note: reliance or recognition?** In Australia there is uncertainty as to which standard is necessary for a mark to have acquired distinctiveness. In the UK, mere recognition is not sufficient to make something distinctive – consumers must rely on the mark to determine trade origin (*Nestle v Cadbury*).

What evidence should be supplied?

- Proxies for acquired distinctiveness (not survey evidence from consumers recognising the mark)
- Trade Marks Office Manual, Part 22.3.4:
 - When the mark was first used, period of use, exhibits showing actual use (with dates)
 - The goods and services for which the mark was used
 - Annual turnover figures (inc. proportion made up by the designated goods/services)
 - Advertising expenditure.
- The Office, but not Fed Court, will accept Wayback Machine evidence: *SL Limited*

Note: s 24 provides that if a mark becomes generic, it can be cancelled pursuant to s 87.

Similarity of Marks

In Aus, we distinguish between 2 different types of similarity, which are tested in different ways: *Shell v Esso*

SUBSTANTIALLY IDENTICAL

The test from *Shell v Esso*:

- Compare the marks side by side (judging by the eye alone), noting the similarities and differences and assessing the importance of these with regard to the essential features of the registered mark.
- Determine the total impression of resemblance or similarity that emerges from this comparison.
- **Orthodox application** (*Carnival v Sitmar*): Only differences that would be missed on a casual side-by-side comparison would lead to a finding of substantial identity → very minor differences = SI
- **Expanded application** (*Pham Global*): Focus on the essential features of the mark (dominant cognitive cues) and ignore other differences (inc. descriptive elements).

DECEPTIVELY SIMILAR

The test from *Shell v Esso*:

- Not a side by side comparison – no longer about abstract similarity, but rather similarity in all the circumstances.
- The comparison is between the impressions based on recollection of the marks that persons of ordinary intelligence and memory would have.

Accordingly, courts have developed **6 guiding principles** in assessing whether a mark is deceptively similar, all of which are based on the average consumer (see exam notes pg 39 for more examples).

| | |
|--|--|
| | <p>of green, when used in connection with the supply of petroleum products or the provision of petroleum services, identifies the source of those goods or the provider of those services as originating from a particular trader, though not necessarily from an identified trader.</p> <p>The question is whether the trader has used the colour in a way that informs the public that the product emanates from a particular source.</p> |
|--|--|

****The current 2-limbed test: ordinary signification + needs of other traders (negative test).**

| **Cantarella Bros v Modena Trading [2014] HCA 48 | |
|---|---|
| Facts | <ul style="list-style-type: none"> • The trade marks “ORO” and “CINQUE STELLE” were registered in respect of coffee products. • Cantarella sued Modena in the FCA for infringement of the marks. • Modena cross-claimed for cancellation on the ground that they were not inherently adapted to , and did not in fact, distinguish the designated goods from the goods of other traders. • FCA dismissed the cross-claim, finding that: <ul style="list-style-type: none"> ○ An Italian speaker might appreciate that “oro” signified some connection with gold and “cinque stelle” meant five stars. ○ However, it could not be concluded that these terms would generally be understood in Australia as having those meanings. • Full Court of FCA ordered cancellation of the trade marks, and Cantarella appealed. |
| Held | The words were inherently adapted to distinguish the goods. |
| Reasoning | <p>**The two-step test to determining whether a trade mark is inherently adapted to distinguish:</p> <p>1. Establish the <u>ordinary signification</u> of the word/s to any person in Australia concerned with the goods to which the proposed trade mark is to be applied.</p> <ul style="list-style-type: none"> • This is the case for both foreign and English words. • The meaning of the word must be examined in the context of its proposed application to particular goods in Australia (its <u>target audience</u>): those who will purchase, consume or trade in the goods. • This step is taken from Clark Equipment. • Does it convey a meaning that would be <u>sufficiently tangible</u> to those concerned with the goods? <p>2. What is the likelihood that <u>other traders</u> might legitimately need to use the word in respect of their goods in its ordinary signification?</p> <ul style="list-style-type: none"> • If the word makes a <u>‘covert and skilful allusion’</u> to the goods (metaphorical, indirect reference) → prima facie registrable • If the word is <u>‘directly descriptive’</u> of the goods (character, quality) → prima facie not registrable. <p>Application of the test to foreign words:</p> <ul style="list-style-type: none"> • *If the foreign word is understood by the target audience as having a directly descriptive meaning in relation to the relevant goods, prima facie the proprietor is not entitled to a monopoly of it. • It is not the meaning of a foreign word as translated which is critical, although it might be relevant. What is critical is the <u>meaning conveyed by a foreign word to those who will be concerned with the relevant goods</u>. <p>Application of the test to words containing a reference to goods (descriptive words)</p> <ul style="list-style-type: none"> • Howard (HCA) – the word “rohoe” was not registrable in respect of agricultural implements, because the contraction of “rotary hoe” would be obvious to a farmer, horticulturalist, or traders in agricultural implements. • Mark Foy’s – “Tub Happy” was held registrable as a mark having no direct reference to the character or quality of cotton garments; it did not convey a meaning sufficiently tangible to anyone in Australia concerned with cotton goods as to have a direct reference to the character or quality of the goods. The registration of “Tub Happy” did not prevent others from describing their cotton goods as having qualities of washability, freshness and cheapness. |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Faulding – “barrier” not registrable for skin creams which protected against dermatitis. In its ordinary signification to persons concerned with skin creams, in the ordinary course of business, there is a need to use the word descriptively in connection with skin protective creams. • Burger King – “Whopper” not registrable in respect of hamburgers because it is apt to describe a characteristic of hamburgers, namely their size, and could also be used in a laudatory sense. Because of this ordinary signification of the word “whopper”, a rival trader might desire to use it to describe their hamburgers. <p>Application:</p> <ul style="list-style-type: none"> • It was not shown that the words “oro” and “cinque stelle” conveyed a meaning or idea sufficiently tangible to anyone in Australia concerned with coffee goods as to be words having a direct reference to the character or quality of the goods. • The evidence did not show that the registration of the words would not preclude honest rival traders from having words available to describe their coffee products either as Italian or premium. <p>Robert: Cantarella is problematic and confusing.</p> <ul style="list-style-type: none"> • Tub Happy and Rohoe are conflicting! How can Rohoe have the ordinary signification of “rotary hoe” even though no one knew it to meant that; yet Tub Happy has no ordinary signification even though everyone knows what it means? • At what point, temporally, do we consider ordinary signification? <ul style="list-style-type: none"> ○ To what extent do we have a future focus? ○ The 2nd limb (<i>Clark Equipment</i>) has a future focus, because it looks only to the needs of other traders to use the mark. • What does “ordinary signification” actually mean? • How do we decide whether other traders might need to use the mark? |
|--|--|

Application of distinctiveness test to shapes

| <i>Kenman Kandy Australia v Registrar of Trade Marks [2002] FCAFC 273</i> | |
|---|--|
| Facts | <ul style="list-style-type: none"> • Kenman applied for and was refused registration of the shape of its “bug” confectionary as a TM. • The 3D shape was an invented shape, but was recognisable as a friendly round bug with two large eyes and six legs. • Kenman appealed to the FCA against the decision; the appeal was dismissed. |
| Held | The bug shape was inherently adapted to distinguish the goods. |
| Reasoning | <p>A shape that goods possess because of their <u>nature</u> or the need for a particular <u>technical result</u> can NOT operate as a trade mark.</p> <ul style="list-style-type: none"> • In this case, the bug shape had <u>no functional significance</u> other than aesthetic. <p>It is the absence of association and signification that accounts for invented words often being found to be inherently adapted to distinguish one trader’s goods from another. There is <u>no reason why an invented shape should be regarded differently from an invented word</u> in making this assessment.</p> |

Application of distinctiveness test to colours (unclear how Philmac fits in with Woolworths v BP)

| <i>Philmac Pty Ltd v Registrar of Trade Marks (2002) 56 IPR 452</i> | |
|---|--|
| Facts | <ul style="list-style-type: none"> • Philmac manufactured pipe system productions for a variety of industries including agriculture. One of its agricultural product ranges included plastic fittings for pipes. • Philmac applied to register as a trade mark the colour terracotta as applied to the connection insert of polypipe fittings. • The Registrar rejected the application for lack of distinctiveness and acquired distinctiveness. |
| Held | The terracotta mark was not inherently adapted to distinguish the goods. |
| Reasoning | The <u>functionality principles</u> applicable to registration of shape marks should also apply to the consideration of application of colour marks. |