

# GREY SKIES AND SILVER LININGS: A CRITICAL ASSESSMENT OF TRADE MARK DISTINCTIVENESS UNDER AUSTRALIAN LAW, PART 2

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## ABSTRACT

This is the second of two articles providing a critical analysis of the Australian law of trade mark distinctiveness, focusing on descriptive or laudatory word marks. Having address the High Court’s problematic decision in *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* in Part 1, In this article, I turn to address a number of other issues relating to the “first step” of the distinctiveness enquiry that have been raised in recent Federal Court and Trade Marks Office decisions. I then turn to the “second step” of the distinctiveness enquiry, namely, factual distinctiveness, showing some of the difficulties applicants for registration for descriptive or laudatory marks have faced in attempting to show their marks have become, or are likely to become, distinctive. By way of conclusion I make some recommendations for legislative reform to address some of the problems with this area of the law, as well as suggesting what owners of descriptive or laudatory word marks might be able to do to so as to secure protection for such marks, in light of recent case law.

## 1. Introduction

This is the second of two articles providing a critical analysis of the Australian law of trade mark distinctiveness, focusing on descriptive or laudatory word marks. In Part 1,<sup>1</sup> I explained the structure of s.41 of the *Trade Marks Act* 1995 (Cth), which requires as a first step that marks be classified in one of three ways: as being “not to any extent inherently adapted to

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<sup>1</sup> M. Handler, “All That Glitters Is Not Gold: A Critical Assessment of Trade Mark Distinctiveness under Australian Law, Part 1” (2015) 101 *Intellectual Property Forum* 14.

distinguish” the specified goods or services (NTAEIA); “not sufficiently inherently adapted to distinguish” those goods or services (NSIA); or prima facie distinctive. I then assessed the general principles that have been used in applying the first step of the distinctiveness test, and how these principles have been complicated by the High Court’s recent decision in *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd*.<sup>2</sup> In this article, or “Part 2”, I start by addressing a number of other issues relating to the first step of the distinctiveness enquiry that have been raised in recent Federal Court and Trade Marks Office decisions. I then turn to the second step of the distinctiveness enquiry, namely, factual distinctiveness, showing some of the difficulties applicants for registration for descriptive or laudatory marks have faced in attempting to show their marks have become or are likely to become distinctive. By way of conclusion I make some recommendations for legislative reform to address some of the problems with this area of the law, as well as suggesting what owners of descriptive or laudatory word marks might be able to do to so as to secure protection for such marks, in light of recent case law.

## **2. Determining where marks fall on the continuum of distinctive character: further issues left open after *Cantarella***

Building on the analysis of *Cantarella* in Part 1, in this section I will consider four further issues relating to the first step of the distinctiveness enquiry raised by recent cases and Office decisions.

### ***(a) Assessing the extent of a mark’s inherent adaptation to distinguish***

In the *Cantarella* litigation, the judge at first instance and the High Court held the marks in question (“ORO” and “CINQUE STELLE” for coffee) to be prima facie distinctive. In contrast, the Full Federal Court held that not only were the marks not prima facie distinctive, they were not *to any extent* inherently adapted to distinguish Cantarella’s goods. This is interesting because it raises a more general question as to how the courts are going about assessing the *extent* of a mark’s inherent adaptation to distinguish. In turn, this raises the issue of the precise relationship between the statutory test under s.41 and the case law used in assessing distinctiveness.

As was explained in Part 1, applying s.41 first involves assessing the extent, if any, of a

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<sup>2</sup> [2014] HCA 48; (2014) 109 IPR 154.

mark's inherent adaptation to distinguish, to arrive at one of three conclusions: (A) the mark is inherently adapted *to such an extent* that it is prima facie distinctive; (B) the mark is inherently adapted *to some extent, but not enough* for it to be prima facie distinctive (an NSIA mark); or (C) the mark is *not to any extent* inherently adapted (an NTAEIA mark). The difficulty is that Kitto J's test for "inherent adaptation to distinguish" in *Clark Equipment Co v Registrar of Trade Marks*, even as explained by the High Court in *Cantarella*, does not easily map on to the tripartite structure of s.41. There is a danger of the test being used to ask the binary question "is the mark inherently adapted to distinguish or not?" (sometimes expressed as "does the mark have an inherent capacity to distinguish?" or "is the mark inherently distinctive?"). Indeed, this problematic language can be seen in the High Court's decision in *Cantarella*, where the majority held that Cantarella's appeal turned on the "question of whether the two trade marks are 'inherently adapted to distinguish'"<sup>3</sup>. Strictly speaking, this is incorrect, as the issue was in fact whether they were *sufficiently* inherently adapted to distinguish to be taken to be capable of distinguishing. The problem with posing the test in the way the High Court did in *Cantarella* is that it will not in all cases provide a complete answer to the first step under s.41.

To explain, *Clark Equipment* sets up a test of the likelihood of traders acting in a particular way. If it can be said that there is no or, at best, a negligible likelihood or possibility that other providers of the specified goods or services might wish to use the applicant's sign for the sake of its ordinary signification in relation to such goods or services, that will mean that the mark is not only inherently adapted to distinguish, but is inherently adapted to such an extent that it is distinctive on that basis alone – that is, that the mark is prima facie distinctive.<sup>4</sup> But if the *Clark Equipment* test cannot be answered in this way, this *does not necessarily mean* that the mark lacks inherent adaptation to distinguish (contrary to the approach that appears to have been taken in at least one recent case<sup>5</sup>). If there is a likelihood that other traders might wish to use the sign for the sake of its ordinary signification, the next issue is to assess the *degree of that likelihood*. As Kitto J acknowledged in *Clark Equipment*, the more descriptive the sign, the greater the likelihood that a competitor would wish to use it

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<sup>3</sup> Ibid, 155 [2]. See also at 172 [78]. For a similar approach, see Gordon J's decision in *Mastronardi Produce Ltd v Registrar of Trade Marks* [2014] FCA 1021; (2014) 108 IPR 7, 11-12 [17]-[21], 13 [23].

<sup>4</sup> On the application of the test in this manner, see, e.g., *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* [2002] FCAFC 273; (2002) 122 FCR 494, 533 [147] (Stone J); *Time Warner Entertainment Co, LP v Stepsam Investments Pty Ltd* [2003] FCA 1502; (2003) 134 FCR 51, 58 [33].

<sup>5</sup> See *Agapitos v Habibi* [2014] WASC 47, [39]-[40]. For a similarly problematic approach, see *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 112 IPR 200, 266-7 [295]-[300].

and the less inherently apt it will be to distinguish the applicant's goods<sup>6</sup> – an implicit recognition of the “continuum” of distinctive character that was discussed in Part 1. This assessment of the degree of likelihood will dictate whether the non-*prima facie* distinctive mark has a slight degree of inherent adaptation to distinguish (i.e., it is an NSIA mark) or none at all (i.e., it is an NTAEIA mark), which will, in turn, impact on the sort of evidence of factual distinctiveness the applicant will need to provide to ensure that the application is not rejected. An exemplary approach to assessing the extent of a mark's inherent adaptation to distinguish was taken by Kenny J in the 2010 decision in *Sports Warehouse Inc v Fry Consulting Pty Ltd*.<sup>7</sup>

It is vital to appreciate that the *Clark Equipment* test does not purport to set up bright line rules for determining when a mark will be *prima facie* distinctive as distinct from being an NSIA mark,<sup>8</sup> or when it will have the slight degree of inherent adaptation to distinguish such that it falls to be considered as an NSIA mark rather than an NTAEIA mark. The test forces tribunals to make hard, often speculative, decisions about the conduct of traders in particular markets in assessing the likelihood that they would wish to use particular signs. The “tripartite” classification method used in s.41 also raises the prospect that borderline cases will arise at two separate junctures – a problem to which I return in the Conclusion when considering how s.41 could be reformed.

However, the most important point for present purposes is that *Clark Equipment* has to be applied carefully to ensure that the question of the extent of a mark's inherent adaptation is not marginalised. There is a danger of it being applied in a manner that pushes decision-makers into a finding that the mark is either *prima facie* distinctive or not to any extent inherently adapted to distinguish. This is a false dichotomy. One way of preventing this is for decision-makers to avoid the imprecise or shorthand use of terms such as “inherently distinctive” and “inherent capacity to distinguish”. This is because such terms are not always

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<sup>6</sup> *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511, 515.

<sup>7</sup> [2010] FCA 664; (2010) 186 FCR 519, 539-45 [83]-[108]. See also *Buchanan Turf Supplies Pty Ltd v Registrar of Trade Marks* [2015] FCA 756, where Yates J at [45] asked the question posed by *Clark Equipment* (“Would traders of buffalo grass of the Sir Walter variety, in the exercise of the common right of the public to make honest use of words for the sake of the signification which they ordinarily possess, think of the sign SIR WALTER and want to use it in connection with the designated goods?”) and, at [46], answered “undoubtedly, ‘yes’”, in finding the mark to be NTAEIA.

<sup>8</sup> Although the High Court's approach in *Cantarella* provides some support for adopting what might be described as the “Part A” approach (i.e., positively classifying marks as invented words, words having no direct reference to the character or quality of the goods, etc, as was required in assessing registrability under Part A of the former Act) as a means of determining whether or not a mark is sufficiently inherently adapted to distinguish. For critical discussion of the difficulty of determining the difference between *prima facie* distinctive marks and NSIA marks, see J. Linford, “The False Dichotomy Between Suggestive and Descriptive Trademarks” (2015) 76 *Ohio State Law Journal* (forthcoming).

used in the same way in the case law and commentary on s.41; they can sometimes be used in a manner that glosses over the precise questions being asked by s.41,<sup>9</sup> in particular, the requirement that the mark be classified on the continuum of distinctive character in one of three ways.

A careful application of *Clark Equipment* might also help deal with difficult fact situations, such as those involving foreign marks which are laudatory or descriptive in translation, with greater nuance than was arguably seen in the *Cantarella* litigation (where a strong argument could have been made that both ORO and CINQUE STELLE were, in fact, NSIA marks<sup>10</sup>). Recognising that a foreign word might well be understood as having a descriptive meaning to a substantial number of Australian consumers or traders, issues such as the extent of familiarity with the word in question amongst consumers generally, its meaning in both the foreign language and in translation, the nature of the goods and services, and the extent to which they are targeted at and purchased by particular sub-groups of consumers can all be taken into account in an assessment of the *degree* of likelihood that other traders might wish to use the marks in question. This, in turn, will then impact on a finding of the *extent* of the mark's inherent adaptation to distinguish.<sup>11</sup>

**(b) What kind of use by other traders is relevant?**

One aspect of *Clark Equipment* that is often overlooked is that the test looks to whether other traders “will think of the word and want to use it in connexion with similar goods *in any manner which would infringe a registered trade mark granted in respect of it*”.<sup>12</sup> This reference to infringement can perhaps be interpreted in two ways. Read literally, it might be open to argue that if other traders would wish to use the sign other than as a trade mark (for example, for descriptive or nominative purposes), or in a manner that would not infringe because a defence would be available, then the sign ought to be accepted as being *prima facie* distinctive. That this is not the way the test is to be interpreted is best confirmed in *Clark Equipment* itself, as Kitto J, later in his judgment, stated:

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<sup>9</sup> See, e.g., *Agapitos v Habibi* [2014] WASC 47, where Le Miere J appeared to treat the term “not inherently distinctive” as coterminous with “not inherently adapted to distinguish”: at [28], [37].

<sup>10</sup> Interestingly, the Office came to this conclusion when assessing a new application by Cantarella for CINQUE STELLE for “coffee”, made on 30 September 2013 (notwithstanding the Full Federal Court’s decision of the same day, finding the mark to be NTAEIA). See Trade Mark 1583291.

<sup>11</sup> Such an approach might also help deal with similar types of sign, such as surnames: cf. *Garrett Electronics Inc* [2015] ATMO 48 (finding GARRETT and GARRETT METAL DETECTORS for metal detectors to be *prima facie* distinctive).

<sup>12</sup> (1964) 111 CLR 511, 514 (emphasis added).

*[i]t is no answer to say that if registration be granted such a manufacturer may nevertheless describe his goods as “made in Michigan” or in some other ways indicate that Michigan is their place of origin. He is not to be excluded by the registration of a trade mark from any use of the word Michigan that he may fairly want to make in the course of his business.*<sup>13</sup>

This view found favour with the Full Court of the High Court in *Faulding*<sup>14</sup> and was adopted by the Full Federal Court under the current Act.<sup>15</sup> On this basis, it should not matter if the evidence shows use of the sign by other traders descriptively, or as a descriptive component within a compound mark. It might be thought that the High Court’s decision in *Cantarella*, as explained in Part 1, casts some doubt on this final point. However, having already determined that the words “oro” and “cinque stelle” were merely allusive, the majority seemed to think that this was also reflected in other traders’ adoption of the same mark (that is, that all coffee traders using “oro” were doing so allusively, rather than in a directly descriptive manner).

The reference to “infringement” in the *Clark Equipment* test is best read a second way, as indicating that the test is whether other traders might wish to use not only the exact sign whose registration is being sought, but also a “substantially identical” or “deceptively similar” sign (picking up the language of the infringement provisions). This is similar to the way the test was framed under old UK law,<sup>16</sup> as well as by the High Court in its earlier decision in *Eclipse Sleep Products Inc v Registrar of Trade Marks*,<sup>17</sup> and is the way the Full Federal Court has approached the issue under the current Act.<sup>18</sup> This reading is significant, because logically it should mean that an application for registration of a mark that is sufficiently *similar* to a sign lacking distinctive character should be treated in the same way as an application for that latter sign. Having said that, there are some problems in applying the notion of “deceptively similar” too formalistically in this context. It would be a strange result

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<sup>13</sup> *Ibid*, 517 (emphasis added).

<sup>14</sup> (1965) 112 CLR 537, 555 (Kitto J, with whom Barwick CJ and Windeyer J concurred).

<sup>15</sup> *TGI Friday’s Australia Pty Ltd v TGI Friday’s Inc* [2000] FCA 720; (2000) 100 FCR 358, 366 [46]; *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* [2013] FCAFC 110; (2013) 215 FCR 16, 30 [83], 32 [97].

<sup>16</sup> *Registrar of Trade Marks v W & G Du Cros Ltd* (1913) 30 RPC 660, 671 (Lord Parker).

<sup>17</sup> (1957) 99 CLR 300, 310 where Dixon CJ, Williams and Kitto JJ framed the test of “adaptation to distinguish” in terms of whether other traders would “desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods” (emphasis added).

<sup>18</sup> See, e.g., *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* [2002] FCAFC 273; (2002) 122 FCR 494, 519 [87] (Lindgren J), 536 [161] (Stone J). See also *Philmac Pty Ltd v Registrar of Trade Marks* [2002] FCA 1551; (2002) 126 FCR 525, 544 [57], [59]-[60]; *Unilever Australia Ltd v Société des Produits Nestlé SA* [2006] FCA 782; (2006) 154 FCR 165, 178 [60]; *Chocolaterie Guylian NV v Registrar of Trade Marks* [2009] FCA 891; (2009) 180 FCR 60, 87 [81]; *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 112 IPR 200, 221-2 [108], 266 [297], 267 [299].

if a court were to find NICHAGIN for heavy earth movers to lack inherent adaptation to distinguish on the basis that it is deceptively similar to MICHIGAN. Nonetheless, it seems entirely appropriate to take into account some slight differences in applying the test for inherent adaptation to distinguish and, above all, to recognise that such a reading of *Clark Equipment* expands the range of signs that should fall to be considered as either NSIA or NTAEIA.

**(c) *Timing issues in assessing inherent adaptation to distinguish***

A further issue raised in another recent Federal Court case concerns the question of the time at which a mark's inherent adaptation to distinguish is to be assessed.

In the 1973 High Court decision in *Burger King Corporation v Registrar of Trade Marks*, Gibbs J referred with approval to the *Clark Equipment* formulation of the test, and added that inherent adaptation “depends on the nature of the trade mark itself ... and therefore is not something that can be acquired; the inherent nature of the trade mark itself cannot be changed by use or otherwise”.<sup>19</sup> This might appear to be an uncontroversial statement of the need to keep the first and second steps in the distinctiveness enquiry separate. However, some care is needed in its application. In the recent Federal Court case of *Mantra IP Pty Ltd v Spagnuolo*,<sup>20</sup> one issue was whether the mark Q1, the name of a Gold Coast high-rise apartment building adopted in 2001, was prima facie distinctive in relation to accommodation and property management services at the time registration of this mark was sought in 2008 (the applicant being one of the Mantra group of companies, another company in this group having been nominated the letting agent by the body corporate for the residential component of the Q1 building in 2005). The opponent to registration claimed that by the 2008 filing date the sign “Q1” had come to take on “geographical” significance, in the sense that it had come to identify the location from where the services were provided rather than trade origin. Following an earlier decision involving the name of a privately-owned commercial building<sup>21</sup> Reeves J thought that “Q1” could not be equated with a geographical term.<sup>22</sup> More

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<sup>19</sup> (1973) 128 CLR 417, 424.

<sup>20</sup> [2012] FCA 769; (2012) 205 FCR 241.

<sup>21</sup> See *MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236, 250-1 (Full Ct) (CHIFLEY TOWER for “property management services, retail and office leasing services” held to be prima facie distinctive).

<sup>22</sup> *Mantra IP Pty Ltd v Spagnuolo* [2012] FCA 769; (2012) 205 FCR 241, 261-5 [54]-[63], [67] (noting the possibility of an exception for a plaza or other public space adjacent to a building, taking the name of that building, which might gain geographical significance: at 265 [64]-[66]). Leave to appeal Reeves J's decision was granted, with Logan J considering that the case was not on all fours with *MID Sydney* (see *Spagnuolo v Mantra IP Pty Ltd* [2012] FCA 1038; (2012) 131 ALD 58), but the matter settled before the Full Court hearing. In *Re Mackay Airport Pty Ltd* [2013] ATMO 17; (2013) 101 IPR 594 the Office considered “Mackay Airport”, for a

interesting, however, is Reeves J's reliance on *Burger King* in finding that a prima facie distinctive mark adopted in 2001 necessarily remained prima facie distinctive at the 2008 filing date, and that any use of the sign after 2001 by others that might have changed the meaning of the sign (e.g., by turning it into a geographical descriptor) could not alter this state of affairs.<sup>23</sup> Such an approach mischaracterises *Burger King*, which holds only that inherent adaptation to distinguish cannot be achieved through subsequent use of the mark. It also fails to recognise that the meaning of signs can change over time, and that a mark's inherent adaptation to distinguish must be assessed *as at the filing date*. Whatever the state of affairs when a mark is adopted, it might be the case that the sign has come to take on a different meaning (e.g., that it has developed geographical or descriptive significance) by the time of the application for registration, casting doubt on whether it could be characterised as prima facie distinctive for the purposes of s.41. This was explicitly recognised by the Trade Marks Office in its 2011 decision *Blu-Ray Disc Association*<sup>24</sup> and is the better interpretation of s.41.<sup>25</sup>

**(d) NSIA marks v NTAEIA marks**

A fourth and final issue to be discussed in this section relates to one of the most difficult aspects of the Australian test under s.41: determining whether a non-prima facie distinctive mark is to any extent inherently adapted to distinguish such that it will fall to be considered as an NSIA mark rather than an NTAEIA mark.<sup>26</sup> This assessment has important consequences for the second step of the distinctiveness inquiry, discussed in the following section.

Note 1 to the current s.41(4)/former s.41(6) provides that that subsection, which deals with NTAEIA marks, is intended to apply to signs that are *ordinarily used* to indicate certain qualities, characteristics, etc. of goods or services. In *Austereo Pty Ltd v DMG Radio*

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wide range of services, to be NTAEIA, distinguishing *Mantra IP* on the basis that "Q1" was a coined term, and recognising that many other traders would have a legitimate need to describe that their services were provided from or in relation to Mackay Airport.

<sup>23</sup> *Mantra IP Pty Ltd v Spagnuolo*, *ibid*, 265 [63].

<sup>24</sup> [2011] ATMO 51; (2011) 93 IPR 273. See also the decision of the Hearing Officer of the UKIPO in *In the Matter of Application Number 2655156 by Canary Wharf Group Plc* (O-423-14, 3 October 2014), rejecting a 2013 application for registration of CANARY WHARF by the developers of the Canary Wharf property estate in London (which had been developed in the 1980s), on the basis that by the filing date, "Canary Wharf" had come to be understood as a geographical location. The decision was upheld on appeal: *Canary Wharf Group Plc v The Comptroller General of Patents, Designs And Trade Marks* [2015] EWHC 1588 (Ch).

<sup>25</sup> See also *Mastronardi Produce Ltd v Registrar of Trade Marks* [2014] FCA 1021; (2014) 108 IPR 7, 13 [25] (considering the meaning of the word "zima" both when it was adopted in 2010 and at the July 2011 filing date).

<sup>26</sup> In *Re Aleem Pty Ltd (as trustee for Mini-Tankers IP Trust)* [2015] ATMO 33; (2015) 112 IPR 97 the Hearing Officer said (at 107 [24]) that "the question of whether a highly descriptive trade mark falls just to one side or the other of the [former] subsection 41(5)-(6) divide can sometimes be fraught with ambiguity and subject to vigorous debate".



*(Australia) Pty Ltd* Finn J considered that “words which, though descriptive of the quality or character of goods or services, are not the only or natural words which would be chosen for that purpose ... [or] because the description itself involves an unfamiliar, obsolete, unexpectedly evocative or purely emotive usage” can be said to have some degree of inherent adaptation to distinguish.<sup>27</sup> This approach, which can be traced to the English Court of Appeal’s decision in *J & P Coats Ltd’s Application*,<sup>28</sup> is helpful in assessing the degree of likelihood that other traders would wish to use the sign in question. However, Finn J’s statement is arguably overreaching (and not just in its reference to “unfamiliar” marks, in light of cases such as *Eutectic Corporation v Registrar of Trade Marks*<sup>29</sup>). In particular, the idea that unless the mark is the *only* way of describing the goods or services it will have some degree of inherent adaptation to distinguish is problematic. This is because it overlooks the fact that traders might think of a range of broadly synonymous words, especially laudatory terms, to describe their products.<sup>30</sup> For instance, “whopper” is clearly not the sole, or even the most obvious, term that might be used by a trader to describe the immensity of its burgers, but this does not make the mark WHOPPER to some extent inherently adapted to distinguish one trader’s burgers from another’s.<sup>31</sup>

Comparing marks that over the past few years have been held to be NTAEIA with those that have been held to be NSIA shows how difficult drawing the distinction can be. The following table sets out forty or so decisions of courts and hearing officers from June 2010 to July 2015 involving word marks held to be either NTAEIA or NSIA, grouped according to the type of descriptive mark under consideration:

Type of sign	NTAEIA	NSIA
Generic/ descriptive/ laudatory	<u>Court decisions</u> SIR WALTER (for “Buffalo grass of the ‘Sir Walter’ variety”) <sup>32</sup> “Is This Australia’s Cheapest	<u>Court decision</u> TENNIS WAREHOUSE (for services including the online retailing of tennis clothing and equipment) <sup>47</sup>

<sup>27</sup> [2004] FCA 968; (2004) 61 IPR 257, 266 [38]-[39].

<sup>28</sup> (1936) 53 RPC 355, 380 (Lord Wright) (considering SHEEN for sewing cotton).

<sup>29</sup> (1980) 32 ALR 211 (NSWSC).

<sup>30</sup> This has been recognised by Australian courts (see *Seven-Up Co v Bubble Up Co Inc* (1987) 9 IPR 259, 264 (VSC)) and by the Court of Justice under European law (see Case C-363/99, *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] ECR I-1619, [57], [101]).

<sup>31</sup> This was recognised by Middleton J in *Yarra Valley Dairy Pty Ltd v Lemnos Foods Pty Ltd* [2010] FCA 1367; (2010) 191 FCR 297. Cf. *Marlin Australia Pty Ltd* [2011] ATMO 73, [10] (UNIVERSAL for goods such as lifejackets and personal flotation devices held to be NSIA since the word was “not the only possible way ... to describe these particular goods as being applicable for all sizes or all purposes”).

<sup>32</sup> *Buchanan Turf Supplies Pty Ltd v Registrar of Trade Marks* [2015] FCA 756.

	<p>Chemist?” (stylised) (for services in Classes 35 and 44 relating to pharmacies)<sup>33</sup></p> <p>APP STORE (for various services in Classes 35, 38, 42)<sup>34</sup></p> <p>YELLOW (for goods and services including print and online phone directories)<sup>35</sup></p> <p>DENTAL EXCELLENCE (for “dentistry”)<sup>36</sup></p> <p><u>Office decisions</u><sup>37</sup></p> <p>SUPERB (for flour and related goods sold on a wholesale basis)<sup>38</sup></p> <p>MH370 (for various entertainment services)<sup>39</sup></p> <p>“SEADWARF Paspalum SDX-1” (for turf and grass seeds)<sup>40</sup></p> <p>EXTRA DRY (for “beers and ales”)<sup>41</sup></p> <p>“Open Tafe” (for Class 35 referral and advertising services relating to educational courses provided by TAFE institutions)<sup>42</sup></p>	<p><u>Office decisions</u></p> <p>ENDURE (for “water based coating materials for use in relation to timber floors, parquet floors”)<sup>48</sup></p> <p>“Blair’s Tyres” (for distribution and retail services Class 35 and vehicle servicing services in Class 37)<sup>49</sup></p> <p>PARACETEMOL OSTEO-TAB (for “pharmaceutical preparations; pain relieving preparations; medicines for human purposes”)<sup>50</sup></p> <p>TRUE A2 (for animal breeding</p>
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<sup>47</sup> *Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 664; (2010) 186 FCR 519.

<sup>33</sup> *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 112 IPR 200.

<sup>34</sup> *Apple Inc v Registrar of Trade Marks* [2014] FCA 1304; (2014) 109 IPR 187.

<sup>35</sup> *Phone Directories Co Australia Pty Ltd v Telstra Corporation Ltd* [2014] FCA 373; (2014) 106 IPR 281 (“*Phone Directories v Telstra*”).

<sup>36</sup> *Agapitos v Habibi* [2014] WASC 47.

<sup>37</sup> In *Major League Baseball Properties Inc v The National Magazine Co Ltd* [2015] ATMO 35, the Hearing Officer, in considering an opposition to extension of protection of an IRDA for the word RED for goods and services in Classes 16, 38 and 41 relating to publications and associated services, did not decide whether the mark was NSIA or NTAEIA in determining that the s.41 ground had been made out.

<sup>38</sup> *Allied Mills Pty Ltd* [2015] ATMO 57.

<sup>39</sup> *Re Aonan International Pty Ltd* [2014] ATMO 118; (2014) 110 IPR 627.

<sup>40</sup> *Re SFR Holdings Inc* [2013] ATMO 77; (2013) 103 IPR 190. ‘Seadwarf’ is the trade reference for variety ‘SDX-1’ of the genus ‘Paspalum’.

<sup>41</sup> *Harvey v Lion-Beer, Spirits & Wine Pty Ltd* [2013] ATMO 5.

<sup>42</sup> *Open Universities Australia Pty Ltd v IQ Pty Ltd* [2012] ATMO 113; (2012) 99 IPR 334.

	<p>FREE BARS (for Class 30 goods, including confectionery)<sup>43</sup></p> <p>ATTIC LADDERS (for “ladders that fold into ceiling spaces”)<sup>44</sup></p> <p>“The Weather Channel” (for a range of retailing, telecommunications and entertainment services)<sup>45</sup></p> <p>REAL DAIRY ICE CREAM and “Real Dairy Ice Cream” stylised (for Class 30 goods including ice cream)<sup>46</sup></p>	<p>products and services, animal testing kits and veterinary services)<sup>51</sup></p> <p>“Discover Downunder” (for production of television programs)<sup>52</sup></p> <p>NATIONAL HEALTH SERVICES DIRECTORY (for various goods and services in Classes 9, 16, 41, 42, 44)<sup>53</sup></p> <p>BIG PICTURE (for various Class 41 entertainment services)<sup>54</sup></p> <p>AERO SPORTS CARS (for motor vehicles and accessories)<sup>55</sup></p> <p>UNIVERSAL (for “life jackets, personal flotation devices, buoyancy jackets and buoyancy belts”)<sup>56</sup></p>
Geographical	<p><u>Court decision</u></p> <p>PERSIAN FETTA (for “dairy products including cheese”)<sup>57</sup></p> <p><u>Office decisions</u></p> <p>REMEMBRANCE PARKS CENTRAL VICTORIA (for goods and services related to cemetery management and funerals)<sup>58</sup></p>	<p><u>Court decision</u></p> <p>CAIRNS HARBOUR LIGHTS (for accommodation and real estate leasing, rental, agency and letting services in Classes 36 and 43)<sup>62</sup></p> <p><u>Office decisions</u></p> <p>LANCASTER (for “leather goods, bags for men, bags for women, satchels,</p>

<sup>48</sup> *PPG Industries Australia Pty Ltd v DuluxGroup (Australia) Pty Ltd* [2015] ATMO 53.

<sup>49</sup> *Abalner Pty Ltd* [2015] ATMO 51.

<sup>50</sup> *GlaxoSmithKline LLC v AFT Pharmaceuticals Ltd* [2014] ATMO 100.

<sup>43</sup> *Kraft Food Australia Pty Ltd v Mars Australia Pty Ltd* [2012] ATMO 51; (2012) 97 IPR 52.

<sup>44</sup> *Attic Ladders Pty Ltd v Kimberley Plastics Pty Ltd* [2012] ATMO 36.

<sup>45</sup> *The Weather Channel Inc v XYZnetworks Pty Ltd* [2011] ATMO 116.

<sup>46</sup> *Unilever Plc v Regal Cream Products Pty Ltd* [2011] ATMO 98; (2011) 96 IPR 114.

<sup>51</sup> *A2 Corporation Ltd* [2014] ATMO 94.

<sup>52</sup> *Bauer Consumer Media Ltd v Evergreen Television Pty Ltd* [2014] ATMO 78; (2014) 108 IPR 529.

<sup>53</sup> *Re National Health Call Centre Network Ltd* [2014] ATMO 6; (2014) 105 IPR 270.

<sup>54</sup> *Bauer Consumer Media Ltd v Big Picture (Aust) No 2 Pty Ltd* [2013] ATMO 35.

<sup>55</sup> *Morgan Motor Co Ltd v Aero Investments Pty Ltd* [2012] ATMO 91; (2012) 98 IPR 535.

<sup>56</sup> *Marlin Australia Pty Ltd* [2011] ATMO 73.

<sup>57</sup> *Yarra Valley Dairy Pty Ltd v Lemnos Foods Pty Ltd* [2010] FCA 1367; (2010) 191 FCR 297.

<sup>58</sup> *Bendigo Cemeteries Trust* [2014] ATMO 82.

	<p>“Harbin” (stylised) (for beer and other beverages)<sup>59</sup></p> <p>SOLIGA FOREST HONEY (for “honey”)<sup>60</sup></p> <p>HIMALAYA PURE HERBS (for “pharmaceutical substances: dietetic substances for medical use”)<sup>61</sup></p>	<p>portfolios, document holders, briefcases, small leather articles, purses, card holders, wallets”)<sup>63</sup></p> <p>SANREMO (for goods including “remote control devices” and related services)<sup>64</sup></p>
Misspellings/ phonetic equivalence	<p><u>Office decisions</u></p> <p>WEED ‘N’ FEED (for fertilisers and preparations for killing weeds, destroying pests and controlling diseases in plants)<sup>65</sup></p> <p>“Rite Price” (for various Class 35 retail and Class 37 maintenance services)<sup>66</sup></p>	<p><u>Office decision</u></p> <p>GRASSPROTECTA; TURFPROTECTA (for various building materials, meshes and grids)<sup>67</sup></p>
Neologisms and word combinations	<p><u>Office decisions</u></p> <p>“Memorials@home” (for “funeral and associated bereavement counselling, funeral services”)<sup>68</sup></p> <p>TOTALPATENT (for “on-line interactive databases featuring information relating to the analysis, evaluation and creation of patents”)<sup>69</sup></p> <p>HEELGUARD (for grated access and</p>	<p><u>Office decisions</u></p> <p>“Memorials@home” (for goods in Classes 16 and 25, cemetery management and business administration in Class 35, and “burial, grave digging, embalming” in Class 45)<sup>71</sup></p> <p>CARSGUIDE (for various goods and services in Classes 9, 16, 35, 36, 38,</p>

<sup>62</sup> *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2015] FCA 554; (2015) 112 IPR 494.

<sup>59</sup> *Re Harbin Brewing Co Ltd* [2012] ATMO 48; (2012) 97 IPR 38.

<sup>60</sup> *Himalaya Global Holdings Ltd* [2012] ATMO 19.

<sup>61</sup> *Himalaya Global Holdings Ltd* [2012] ATMO 11.

<sup>63</sup> *Tchen Kil Tchun* [2014] ATMO 28.

<sup>64</sup> *Clearlight Investments Pty Ltd v Sandvik Mining and Construction Oy* [2013] ATMO 50.

<sup>65</sup> *OMS Investments Inc v DuluxGroup (Australia) Pty Ltd* [2014] ATMO 9.

<sup>66</sup> *Knowles Airconditioning & Plumbing Pty Ltd* [2013] ATMO 42.

<sup>67</sup> *Boddingtons Ltd* [2011] ATMO 57.

<sup>68</sup> *Re Bendigo Cemeteries Trust* [2014] ATMO 86; (2014) 108 IPR 567.

<sup>69</sup> *Re Reed Elsevier Properties Inc* [2012] ATMO 46; (2012) 97 IPR 20.

	manhole covers for pits, trenches, drains, underground access ways and ducts) <sup>70</sup>	41) <sup>72</sup> SWEEPER+ VAC (for “household utensils ... brushes; articles for cleaning purposes”) <sup>73</sup> SLEEPTEA (for tea and tea-based beverages) <sup>74</sup> HAIRFOOD (for hair care preparations and hair growth promoters) <sup>75</sup>
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From a close reading of the above cases and decisions it is possible to discern a greater willingness by hearing officers to accept descriptive marks as NSIA than can perhaps be seen in court decisions. For example, in the 2014 decision in *Roebuck v News Ltd* the hearing officer, in considering an application for CARSGUIDE for services relating to online and print car guides, suggested that because the expression “cars guide” is “slightly awkward to express orally”, and that the mark was a single word, it had the “requisite spark of trade mark identity”.<sup>76</sup> This idea that an NSIA mark need only show a “spark”, a “scintilla” or a “modicum” of inherent adaptation can be seen in other Office decisions, including one involving the mark NATIONAL HEALTH SERVICES DIRECTORY for goods and services related to the production of a national directory of health services.<sup>77</sup> Such an approach is in tension with other Office decisions where minor misspellings of descriptive words have been held not to give the mark any inherent adaptation to distinguish, as well as *Eclipse Sleep Products Inc v Registrar of Trade Marks*, where Dixon CJ, Williams and Kitto JJ framed the test of adaptation to distinguish in terms of whether other traders would “desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own

<sup>71</sup> *Bendigo Cemeteries Trust* [2014] ATMO 86; (2014) 108 IPR 567.

<sup>70</sup> *Paige Stainless Pty Ltd v Aco Polycrete Pty Ltd* [2011] ATMO 87; (2011) 95 IPR 165.

<sup>72</sup> *Roebuck v News Ltd* [2014] ATMO 19; (2014) 105 IPR 459.

<sup>73</sup> *The Procter & Gamble Co* [2014] ATMO 5.

<sup>74</sup> *Himalaya Global Holdings Ltd* [2012] ATMO 14.

<sup>75</sup> *Isabella Thomas Holdings Ltd* [2011] ATMO 52.

<sup>76</sup> [2014] ATMO 19; (2014) 105 IPR 459, 471 [35].

<sup>77</sup> *Re National Health Call Centre Network Ltd* [2014] ATMO 6; (2014) 105 IPR 270. See also *Re Freelif International Holdings LLC* [2009] ATMO 45; (2009) 82 IPR 597 (where a device mark featuring the slightly stylised words “Goji Juice” was considered to be NSIA in relation to dietary supplements and beverages, on the basis that it was not immediately obvious why another trader would need to use the particular stylisation in connection with the entirely descriptive words). Cf. *Unilever Plc v Regal Cream Products Pty Ltd* [2011] ATMO 98; (2011) 96 IPR 114, 119-20 [20]-[21].

goods”.<sup>78</sup> Other Office decisions involving NSIA marks are also difficult to reconcile with existing case law. For instance, in a 2012 decision involving an application for SLEEPTEA, the hearing officer acknowledged that “sleep tea” was a known type of tea but, given that the term was not commonly used, held the mark to be NSIA,<sup>79</sup> a decision that sits uncomfortably alongside *Eutectic*.

By way of contrast, in four of the six court decisions in which the marks in question were held to be NTAEIA, the Office had, at the registration stage, classified the marks as NSIA.<sup>80</sup> In *Yarra Valley Dairy Pty Ltd v Lemnos Foods Pty Ltd*, involving PERSIAN FETTA for dairy products including cheese, Middleton J held that even though Persia is not the current name of a geographical area, its ongoing geographical significance is such that other traders would have a legitimate interest in wanting to describing their Iranian-sourced cheese, or a style of cheese derived from cheese produced in Iran, by reference to such a term, in particular because of the exotic connotations of the word “Persia” and also to avoid any potentially negative association with “Iran”.<sup>81</sup> In *Agapitos v Habibi*, Le Miere J disagreed with the owner’s submission that DENTAL EXCELLENCE for “dentistry” was “concocted”, consisting of two words that would not normally be used together, instead finding that other dentists wishing to indicate their services were of superior quality may well want to use the expression “dental excellence” for that purpose.<sup>82</sup> And in *Phone Directories Co Australia Pty Ltd v Telstra Corporation Ltd*, Murphy J explained in detail why Telstra’s mark YELLOW was a descriptive term for Telstra’s specified goods and services, and one that other traders would wish to use in relation to print and online phone directories, emphasising evidence that before the filing date other traders in Australia and overseas had used the colour and word yellow in respect of their directories to indicate the purpose of them.<sup>83</sup> His Honour was unpersuaded by Telstra’s arguments that the word “yellow” was not a generic term for business directories and was an “arbitrary” term when used in relation to services.

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<sup>78</sup> (1957) 99 CLR 300, 310 (emphasis added).

<sup>79</sup> *Himalaya Global Holdings Ltd* [2012] ATMO 14, [17].

<sup>80</sup> In the fifth and sixth cases, both the hearing officer and the Federal Court held the mark to be NTAEIA: see *Re Apple Inc* [2013] ATMO 13; (2013) 102 IPR 139, aff’d *Apple Inc v Registrar of Trade Marks* [2014] FCA 1304; (2014) 109 IPR 187 (involving APP STORE) and *Buchanan Turf Supplies Pty Ltd* [2014] ATMO 26, aff’d *Buchanan Turf Supplies Pty Ltd v Registrar of Trade Marks* [2015] FCA 756 (involving SIR WALTER for various goods and services, including “turf grass”, of which “Sir Walter” is a variety.)

<sup>81</sup> [2010] FCA 1367; (2010) 191 FCR 297, 333-4 [213]-[215].

<sup>82</sup> [2014] WASC 47, [35]-[44].

<sup>83</sup> [2014] FCA 373; (2014) 106 IPR 281, 315-26 [175]-[234].

In all three cases discussed above, the judges were sceptical of the owners' arguments that their marks were inherently adapted to distinguish to even a slight extent.<sup>84</sup> It remains to be seen whether the more cautious approach to the distinctiveness inquiry in these cases (the latter two in particular) influences the Office in its application of the first step of the distinctiveness inquiry.

As a final point, it is worth flagging that it is not obvious why, at a normative level, Australian law requires non-*prima facie* distinctive marks to be classified in one of two ways (i.e., as either NSIA or NTAEIA), and draws such a rigid demarcation between the two categories. After considering the significance of marks being classified in one or other of these ways in the next section, I take up this question in more detail in the Conclusion, arguing that there is a strong case for s.41 to be reformed to do away with the distinction between NSIA and NTAEIA marks entirely.

### **3. Factual distinctiveness**

#### **(a) *Challenges in demonstrating factual distinctiveness***

A non-*prima facie* distinctive mark can still pass the distinctiveness hurdle if factual distinctiveness can be demonstrated. Under s.41, this operates differently according to whether the mark is classified as NSIA or NTAEIA under the first step of the distinctiveness enquiry. For NTAEIA marks, only one factor can be taken into account in assessing whether the mark *does distinguish* the applicant's goods or services: the extent of the applicant or predecessor in title's pre-filing date use of the mark. For NSIA marks, the second step involves a consideration of the combined effect of three factors – the degree of the mark's inherent adaptation to distinguish, the applicant or predecessor in title's use or intended use of the mark, and "any other circumstances" – as part of an overall determination of whether the mark *has or will come to distinguish* the applicant's goods or services. This demonstrates how important it is for decision-makers to explain the extent of a mark's inherent adaptation to distinguish. As was recently confirmed in *Sports Warehouse*, the lesser the extent of the NSIA mark's inherent adaptation to distinguish, the stronger the evidence of use or intended use will be needed for the mark to be taken to be capable of distinguishing, and vice versa.<sup>85</sup>

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<sup>84</sup> In the fourth case, *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 112 IPR 200, involving the barely stylised mark "Is This Australia's Cheapest Chemist?", the reasoning does not clearly explain why the mark was NTAEIA rather than NSIA (as had been found in examination).

<sup>85</sup> [2010] FCA 664; (2010) 186 FCR 519, 545 [110]. For a useful illustration, see *Ainsworth Game Technology Ltd v IGT* [2011] ATMO 53; (2011) 93 IPR 532.

The key element common to both NSIA and NTAEIA marks is that of *use* of the mark. Much of the information provided in the Trade Marks Office's Manual of Practice and Procedure relates to what sort of evidence of use should be provided, and in what form. The focus is very much on quantitative data: details of the location and duration of use; annual turnover figures; advertising expenditure; examples of uses of the mark; details of market share and how the goods or services have been advertised; further commercial plans, etc.<sup>86</sup> Clearly, such evidence will be crucial. But it is perhaps important to appreciate that much of this evidence can only really serve as a proxy for the question that needs to be asked: whether *by* such use the mark has acquired distinctiveness (or, for NSIA marks, whether it will come to do so).

Recent Federal Court decisions show how difficult it can be to demonstrate factual distinctiveness, even when what might appear to be extensive evidence of use is provided. A clear indication of this is *Phone Directories v Telstra*, involving an application for the word mark YELLOW. Having found the mark to be NTAEIA, Murphy J was unpersuaded that the impact of Telstra's use of the word "yellow" in various forms since the mid-1970s meant that the mark had acquired distinctiveness by its 25 July 2003 filing date. Notwithstanding Telstra's extensive use of the "Yellow Pages" brand, both as a word mark and in conjunction with the famous "walking fingers" device, dating back to the 1970s, Murphy J considered that the term "yellow" remained descriptive of the colour and nature of Telstra's directories when used in that manner.<sup>87</sup> Telstra's brief "Hello Yellow" advertising campaign in the early 1980s was considered not to have involved trade mark use of "yellow", but rather use as a "shorthand reference" to the "Yellow Pages" mark.<sup>88</sup> In any event, Murphy J thought if Telstra's use of "yellow" since the 1970s was to be taken to be use as a trade mark, any such use was diluted by the fact the word was almost invariably used as part of larger word marks or composite marks, and was not used extensively enough for it to distinguish Telstra's goods and services from those of other traders.<sup>89</sup>

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<sup>86</sup> IP Australia, *Trade Marks Office Manual of Practice & Procedure*, pts 23.3-23.5.

<sup>87</sup> *Phone Directories v Telstra* [2014] FCA 373; (2014) 106 IPR 281, 329 [246]-[249]. In a similar vein, see *Buchanan Turf Supplies Pty Ltd v Registrar of Trade Marks* [2015] FCA 756, where Yates J held that the applicant's extensive use of "Sir Walter" in television and radio advertisements and in conjunction with other devices (such as a knight and roundel) did not demonstrate trade mark use of "Sir Walter", but rather use to indicate the Sir Walter variety of grass sold by the applicant: at [129]-[135].

<sup>88</sup> *Phone Directories v Telstra*, *ibid*, 330-1 [255].

<sup>89</sup> *Ibid*, 331 [261], 333 [269].



Despite the lower threshold for NSIA marks (in the sense that post-filing date use and “any other circumstances”<sup>90</sup> can be taken into account, and that the decision-maker only needs to find that the mark *will* acquire distinctiveness), applicants for such marks have tended to fare little better in showing factual distinctiveness. In *Sports Warehouse*, involving an application for TENNIS WAREHOUSE for the online retailing of tennis clothing and equipment, filed on 18 August 2005, the applicant also put forward what appeared to be extensive evidence of a range of uses of the mark, from both before and after the filing date. Kenny J concluded that even though there was evidence that went towards a showing of factual distinctiveness – such as use on a website between 1998-2002, use in the domain name “tennis-warehouse.com”, advertisements in magazines, and limited sales in Australia – this was thought to be insufficient to satisfy the former s.41(5).<sup>91</sup> Evidence that did not assist the applicant was that from 2003 the words “Tennis Warehouse” had been used in conjunction with a “TW” logo, which diluted the words’ trade mark significance, and that some of the examples of use, including on promotional gifts, post-purchase invoices and post-purchase packaging, was not in the course of trade and therefore not use as a trade mark at all.<sup>92</sup> In *Phone Directories v Telstra*, Murphy J considered in *obiter* that if YELLOW were to be classified as an NSIA mark (that is, that it was inherently adapted to distinguish to a “minor extent”<sup>93</sup>), Telstra’s additional evidence of post-filing date use did not demonstrate that the mark had or would become factually distinctive. His Honour thought a “Find It In Yellow” campaign, run in 2005-06, still used “yellow” as a shorthand reference to “Yellow Pages”,<sup>94</sup> and that despite the rebranding of Telstra’s entire product and service from “Yellow Pages” to “Yellow” from 2006-09, there was only negligible evidence indicating strong consumer recognition that “Yellow” had become factually distinctive.<sup>95</sup>

The approaches taken in these cases are consistent with those taken in other Federal Court cases and recent Office decisions when assessing the factual distinctiveness of word marks with little or no inherent adaptation to distinguish, particularly where the words have

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<sup>90</sup> For discussion of “any other circumstances”, and criticism of the idea that use of the mark by other traders ought to be a relevant consideration under s.41, see R. Burrell and M. Handler, *Australian Trade Mark Law* (Oxford University Press, 2010), pp.131-4.

<sup>91</sup> *Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 644; (2010) 186 FCR 519, 563 [189].

<sup>92</sup> *Ibid.*

<sup>93</sup> *Phone Directories v Telstra* [2014] FCA 373; (2014) 106 IPR 281, 334 [278].

<sup>94</sup> *Ibid.*, 337-8 [297]-[302].

<sup>95</sup> *Ibid.*, 338-9 [303]-[310].

been used descriptively rather than as a trade mark,<sup>96</sup> or used in combination with other more distinctive matter (such as other words or a device).<sup>97</sup>

In both *Phone Directories v Telstra* and *Sports Warehouse* the judges emphasised that little evidence was provided by the applicants for registration as to *consumer recognition* of the marks.<sup>98</sup> This was a particular problem for Telstra: notwithstanding evidence that it had spent close to \$20 million on its “Yellow” rebranding, the fact that it could only point to negligible evidence of consumer recognition of the “Yellow” brand was a significant limitation.<sup>99</sup> This raises questions as to whether applicants might need to do more to acquire and present consumer-based evidence, and what are some of the difficulties in doing so, an issue to which I return in the conclusion.

As a final point, it needs to be asked whether the recent amendment to s.41 is likely to make it easier for owners of NSIA and NTAEIA marks to secure registration. Under s.41(5) and (6) as originally enacted, the decision-maker needed to be satisfied, on the basis of the evidence provided, that the mark was or would become factually distinctive. This was thought to create uncertainty and significant costs for applicants, who felt they had little guidance as to the quality and quantity of evidence that would be needed to persuade examiners that their marks had acquired distinctiveness, particularly in the event that a response to an adverse report involving the filing of evidence led to the maintenance of the s.41 objection. From the perspective of the Office, given that much of the evidence examiners were required to assess went to quantitative measures such as the duration of use, the geographical extent of use, turnover figures and advertising expenditure (rather than evidence of consumer recognition), it might well have been the case that officials felt as if they were on somewhat shaky ground

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<sup>96</sup> For court decisions, see *Ocean Spray Cranberries Inc v Registrar of Trade Marks* [2000] FCA 177; (2000) 47 IPR 579, 591 [41] (“Cranberry Classic” used descriptively on packaging); *Sports Break Travel Pty Ltd v P & O Holidays Ltd* [2000] FCA 924; (2000) 50 IPR 51, 61-2 [24] (“Schoolies” used only to describe the target audience for the applicant’s services). For recent Office decisions, see *Re Mackay Airport Pty Ltd* [2013] ATMO 17; (2013) 101 IPR 594, 610-11 [42]-[44]; *Re National Health Call Centre Network Ltd* [2014] ATMO 6; (2014) 105 IPR 270, 277 [26], 278 [30].

<sup>97</sup> For recent court decisions, see *Verrocchi v Direct Chemist Outlet Pty Ltd* [2015] FCA 234; (2015) 112 IPR 200, 267 [303] (“the significance of the Applicants’ trade mark was often diluted by the dominant logo and other slogans of a similar nature which surrounded it or appeared nearby on stores, catalogues and the website”); *Fry Consulting Pty Ltd v Sports Warehouse Inc (No 2)* [2012] FCA 81; (2012) 201 FCR 565, 587 [113] (applicant’s use of the tagline “Your online tennis shop!” in conjunction with its “Tennis Warehouse Australia” device mark (set out below) “substantially diluted the trade mark significance of the latter” (in *obiter dicta*)); *Apple Inc v Registrar of Trade Marks* [2014] FCA 1304; (2014) 109 IPR 187, 227 [230] (emphasising that the applicant’s “App Store” service was marketed in conjunction with the name “Apple” and other Apple products). For recent Office decisions, see *Kennards Hire Pty Ltd* [2012] ATMO 39; *Harvey v Lion-Beer, Spirits & Wine Pty Ltd* [2013] ATMO 5; *Knowles Airconditioning & Plumbing Pty Ltd* [2013] ATMO 42. But cf. *PPG Industries Australia Pty Ltd v DuluxGroup (Australia) Pty Ltd* [2015] ATMO 53.

<sup>98</sup> *Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 644; (2010) 186 FCR 519, 562-3 [188]; *Phone Directories v Telstra* [2014] FCA 373; (2014) 106 IPR 281, 333 [271], 339 [310].

<sup>99</sup> *Phone Directories v Telstra*, *ibid*, 338-9 [306].

when concluding that a mark had acquired distinctiveness. These factors help explain the amendment to s.41 to ensure that the “presumption of registrability” now applies in relation to NSIA and NTAEIA marks – it is now the case under s.41(2)–(4) that decision-makers have to be satisfied that the marks *are not* or *would not become* factually distinctive for the s.41 ground of rejection to apply. It might be the case that the Office will internalise this change to ensure that quantitative evidence of factual distinctiveness is treated more favourably than under the former law, which is perhaps the real intention of the amendment.

However, it needs to be recognised that the application of a “presumption” in favour of the applicant in this situation ought to make next to no practical difference. This is because under both the former and current law the decision-maker was and is required to make the assessment of factual distinctiveness on the balance of probabilities (and not on some higher standard, such as whether the mark should clearly not be registered<sup>100</sup>). Because of the application of the balance of probabilities standard, it is only in cases where the evidence as to whether a mark has acquired sufficient distinctiveness can be said to be in the balance that the presumption might have any work to do. Such cases will be extremely rare, even if one adopts a “subjectively perceived tie” approach to the balance of probabilities standard (that is, even if the evidence in fact generates a probability of slightly more or slightly less than 50%<sup>101</sup>). Instead of relying on the fig leaf of the presumption of registrability, which cannot do the work the Office and many trade mark owners would probably like it to do, more thought needs to be given to the real difficulties involved in assessing factual distinctiveness and the challenges faced by both applicants and the Office in this regard.<sup>102</sup>

***(b) Problems with s.41 as a cancellation ground in the case of NSIA and NTAEIA marks***

Each of *Yarra Valley*, *Agapitos v Habibi* and *Cantarella* involved attempts to cancel the registration of a mark on the grounds of lack of distinctiveness. More specifically, each involved the court considering the cancellation ground under s.88(2)(a) (“any of the grounds on which the registration of the trade mark could have been opposed under this Act”), which in turn required it to assess whether the mark ought not to have been registered because of

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<sup>100</sup> Extraordinarily, the standard of proof in trade mark opposition proceedings remains unresolved. However, the majority of Federal Court decisions on this matter have applied the balance of probabilities standard. For the most recent consideration, see *ibid*, 287 [35]–[36].

<sup>101</sup> See L. Kaplow, “Burden of Proof” (2012) 121 *Yale Law Journal* 738, 758 n 34; D. Hamer, “Probability, Anti-Resilience, and the Weight of Expectation” (2012) 11 *Law, Probability and Risk* 135.

<sup>102</sup> For detailed consideration, see R. Burrell and M. Handler, “Rethinking the Presumption of Registrability in Trade Mark Law” (2012) 38 *Monash University Law Review* 148.

s.41. In this context, it is worth noting that there are two unsatisfactory aspects of how s.41 operates as a cancellation ground when the mark in question is held by the court to be a non-prima facie distinctive mark.

The first is that if the mark is held to be NTAEIA, the registered owner can only save its registration by showing that its mark had acquired distinctiveness by the filing date. This is so even if the mark has clearly become factually distinctive in light of the owner's many years of post-filing date use.<sup>103</sup> To take the facts of *Cantarella* as an example, it was not open to Cantarella to argue that if its ORO and CINQUE STELLE marks were held to be NTAEIA, the extent of its use of the marks since their 2000 and 2001 filing dates meant that at the time of Modena Trading's cross-claim in 2011 the marks had become distinctive and that the registrations should therefore not be cancelled. For marks that are held to be NSIA, however, it appears that it is open for owners to show that even if the mark lacked distinctiveness at the filing date, any post-filing date acquisition of distinctiveness can be taken into account to save the registration in cancellation proceedings.<sup>104</sup> In this way the s.88(2)(a)/41 cancellation ground has the potential to operate unfairly against registered owners of NTAEIA marks, and places further pressure on tribunals to classify non-prima facie distinctive marks as NSIA rather than NTAEIA.

The second aspect is something of the opposite problem. When the 1995 Act was passed, it contained a ground of cancellation of registration in s.88(2)(d). This applied where the mark had been accepted for registration as an NSIA mark (i.e., under the former s.41(5)) on the basis that it *would* distinguish the specified goods and services, and where the mark had remained registered for at least ten years, but at the time of the cancellation proceedings it had not in fact come to acquire distinctiveness. This provision was repealed, with almost no explanation, in 2001. In the Explanatory Memorandum to the Trade Marks and Other Legislation Amendment Bill 2001 (Cth) it was stated that under s.88(2)(d) "the court would be obliged to apply stricter criteria than would have been applied by the Registrar of Trade Marks when accepting the trade mark for registration" and that "[t]he repeal of this provision will remove the uncertainty inherent in this difference".<sup>105</sup> This hardly seems sufficient to have justified the outright repeal of the ground. Further, since it is always open for an owner

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<sup>103</sup> There is scope for the court to use its discretion under s.88(1) to refuse to cancel the registration of the mark in such circumstances. However, the scope of the court's discretion remains unclear, and mark owners ought to have the comfort of a statutory provision ensuring that the registration of their distinctive marks cannot be cancelled rather than having to persuade a court to exercise its discretion in cancellation proceedings.

<sup>104</sup> See, e.g., *Yarra Valley Dairy Pty Ltd v Lemnos Foods Pty Ltd* [2010] FCA 1367; (2010) 191 FCR 297, 340 [260].

<sup>105</sup> Explanatory Memorandum, Trade Marks and Other Legislation Amendment Bill 2001 (Cth), 1.

in cancellation proceedings to maintain that its NSIA mark will acquire distinctiveness to avoid cancellation under s.88(2)(a)/41, the lack of a s.88(2)(d) cancellation ground unduly privileges owners of registered marks that have never actually acquired distinctiveness (in turn raising the question of why our registration system allows such marks on the Register in the first place).

#### **4. Conclusion: legislative reform, and some options for owners of descriptive marks facing distinctiveness objections**

By way of conclusion, I offer some recommendations about how the Australian legislation might be reformed to deal with some of the problems identified. I also offer some thoughts about what owners of prima facie descriptive marks might do when confronted with distinctiveness objections at the registration stage, in light of some of the difficulties identified in demonstrating factual distinctiveness.

##### ***(a) Reforming the Act***

Despite the importance of the distinctiveness requirement in s.41, there are a number of problems with its operation. The recent reform of s.41 to ensure that the “presumption of registrability” applies when assessing factual distinctiveness will do little, if anything, to address these problems. Section 41 remains very difficult to interpret, and the policy or policies sought to be served by the provision are not clearly reflected in its wording. The tests used to determine a mark’s “inherent adaptation to distinguish” do not easily map on to the statutory language. Any reform of s.41 must start with simplifying the text of the provision.

Yet perhaps the most concerning issue with s.41 relates to its tripartite structure – in particular the requirement that non-prima facie distinctive marks be classified as either NSIA or NTAEIA. In particular, it is not at all clear why NSIA marks should be allowed to be registered on the basis of a mere likelihood that they *will become* factually distinctive. Such an approach would seem to allow signs that may not in fact meet the very definition of a trade mark to proceed to registration, thus limiting the signs available for other traders to use for the sake of their ordinary meanings but without any clear countervailing benefit to consumers. This is especially problematic given that since the repeal of s.88(2)(d) there no longer appears to be a solid basis for challenging the registration of such marks on the grounds that, post-registration, they have not in fact come to acquire distinctiveness.

There have, in fact, never been strong justifications for allowing the registration of non-prima facie distinctive marks that are not, but are likely to become, factually distinctive. The

registration of such marks was first made possible in Australia under the 1955 Act as a result of recommendations of the Dean Committee, although the Committee specifically doubted whether there was value in accepting such marks for registration before they had acquired distinctiveness.<sup>106</sup> It was only because, at that time, registration in various foreign countries was only available if the mark in question had been registered in Australia, and that under the 1905 Act marks that were only capable of becoming distinctive were not registrable, that it was thought necessary to follow the UK's lead and establish Part B of the Register to enable the registration in Australia of such marks.<sup>107</sup> These limited reasons, focusing on the needs of Australian exporting firms that had chosen to adopt non-*prima facie* distinctive marks, no longer apply with any force. It is also worth noting that the UK, and countries such as New Zealand that have adopted similar legislation, have since moved away from this model – under the laws of those countries only evidence that a non-*prima facie* distinctive mark *had* acquired distinctiveness by the filing date is sufficient for such a mark to be accepted for registration.<sup>108</sup> This also reflects the position under US law.<sup>109</sup>

Given the public interest in leaving NSIA signs available for general commercial use, and the lack of any other sound justification for granting exclusive rights over such marks if acquired distinctiveness cannot be established, it is hard to justify the tripartite structure set up under s.41. Ideally, therefore, any reform should first involve setting up a test of distinctiveness that simply asks whether the mark is *prima facie* distinctive and, if not, whether it had acquired distinctiveness by the filing date. The first part of this test ought to be primarily and explicitly interpreted by reference to the needs of other traders in being able to use the sign in question, or a substantially identical or deceptively similar sign, for the sake of the ordinary signification it may possess.

Even if the legislature does not consider that the tripartite structure of s.41 needs amending, or that the language of the provision does not need clarification, the cancellation

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<sup>106</sup> *Report of the Committee Appointed to Consider What Alterations Are Desirable in the Trade Marks Law of the Commonwealth* (AGPS, 1954) (Dean Committee Report), [16].

<sup>107</sup> *Ibid.* Indeed, when Part B of the UK Register was first established under the *Trade Marks Act* 1919 (UK), a mark could only be registered in that Part if it had been in use for two years prior to the date of the application. This requirement was removed in the *Trade Marks Act* 1938 (UK) following lobbying by British traders, who argued that they were still disadvantaged in foreign countries where trade marks were registered without prior examination: see *Report of the Departmental Committee on the Law and Practice Relating to Trade Marks* (1934) Cmd. 4568 (Goschen Committee Report) [56]-[61]; see also *Hansard* HL, vol. 104, cols 17-8 (28 January 1937). Australia simply followed the approach taken by the UK. For an overview of the Australian provisions under the 1955 Act, see J. B. Hack, "Part B Registration in Australia" (1960) 50 *Trademark Reporter* 371.

<sup>108</sup> *Trade Marks Act* 1994 (UK), s.3(1) (implementing the first sentence of what has now been codified as *Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks* [2008] OJ L299/25, Art 3(3)); *Trade Marks Act* 2002 (NZ), s.18(2).

<sup>109</sup> 15 USC §1052(f).

provisions in s.88 clearly need to be revisited. To address the problems raised in the previous section, s.88 should be amended in two ways:

- first, to add a new subsection to ensure that the registration of a mark can only be cancelled if the mark is not distinctive at the time the cancellation proceedings are commenced, notwithstanding that it might not have been distinctive at its filing date. This is the position under current UK<sup>110</sup> and New Zealand law,<sup>111</sup> and also accords with one of the Recommendations of the 1992 Working Party that reviewed the Australian law,<sup>112</sup> and
- second, to reintroduce of a ground with the same effect as the former s.88(2)(d): that is, to ensure that the registration of an NSIA mark that was accepted for registration only on the basis that it would acquire distinctiveness can be cancelled after it has been registered for a period of time if it has not in fact come to acquire distinctiveness by that time.

**(b) *Registering and enforcing rights in descriptive marks***

As a final point, it is worth briefly considering what an owner of a descriptive word mark might be able to do to increase its chances of securing protection for its mark. Without suggesting that recent Australian cases and decisions on factual distinctiveness have set the bar at an inappropriate level, these cases have demonstrated that it is difficult to secure registration in Australia on the basis of factual distinctiveness, even for marks that fall to be considered as NSIA, rather than NTAEIA.

Most practitioners would be well aware of some of the strategies that can be used in order to try to overcome such objections. For NSIA marks, these might include extending the time for acceptance for as long as possible, so that more evidence of post-filing date use can be amassed. For marks initially classified as NTAEIA, there is much to be gained by attempting to argue that the mark has a “spark” or “scintilla” of inherent adaptation (relying on Office decisions that have used this language), such that the mark should be treated as NSIA rather than NTAEIA. If this fails, a further tactic might be to make a later application for the same mark with the same specification, so that use of the mark up to the second filing date can be taken into account. The relatively minor cost involved in making the second application and the loss of the earlier priority date might well be outweighed by the ability to register the mark.

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<sup>110</sup> *Trade Marks Act 1994* (UK), s.47(1) (permitted by the second sentence of *Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks* [2008] OJ L299/25, Art 3(3)).

<sup>111</sup> *Trade Marks Act 2002* (NZ), s.73(2).

<sup>112</sup> Working Party to Review the Trade Marks Legislation, *Recommended Changes to the Australian Trade Marks Legislation* (AGPS, 1992), 23 (Recommendation 36C).

In terms of the evidence that might be relied on to show factual distinctiveness, given that the overarching question is whether or not the mark does or will distinguish the specified goods or services, surveys would seem to be the most valuable form of evidence that an applicant could adduce to show factual distinctiveness.<sup>113</sup> However, it is appreciated that not only are surveys costly and time-consuming to produce, but also that the Office has shown a strong degree of scepticism towards survey evidence. At times, this has been entirely understandable. The Office has been rightly critical of surveys conducted well after the relevant time for assessing whether the mark had acquired distinctiveness,<sup>114</sup> and surveys involving leading questions<sup>115</sup> or questions not eliciting responses going to whether the sign was understood by consumers as a trade mark.<sup>116</sup> Having said that, certain criticisms, such as those going to what might appear to be low sample sizes of surveys, have arguably been misplaced.<sup>117</sup> More could be done to ensure that applicants have clearer guidelines as to the sort of survey evidence that is likely to be persuasive.<sup>118</sup> In this regard it is encouraging to see that IP Australia is an industry partner, working with key brand owners and academics from Law and Psychology, in an Australian Research Council funded project that is designed to “put Australian trade mark law on a firmer empirical footing by ... test[ing] the law’s assumptions against actual consumer responses”.<sup>119</sup>

At present, however, applicants are likely to face an uphill battle in registering marks consisting of descriptive or laudatory words. The idea of not registering such marks, and instead trying to rely on the tort of passing off or an action for contravention of s.18 of the *Australian Consumer Law* to prevent other traders from making misleading use of such descriptive terms, is likely to hold little appeal. Two recent Federal Court cases in which mark owners were unsuccessful in such actions, *Vendor Advocacy Australia Pty Ltd v Seitaniadis*<sup>120</sup>

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<sup>113</sup> This has been explicitly recognised in the UK: see *Marks and Spencer Plc v Interflora Inc* [2012] EWCA Civ 1501; [2013] ETMR 11, [35] (“[i]n cases where acquired distinctiveness of a mark is in issue a survey may accurately identify that proportion of the relevant public which recognises the mark as a badge of trade origin. It will then be for the fact finding tribunal, with the aid of such a survey, to decide whether a significant proportion of the relevant public identify goods as originating from a particular undertaking because of the mark”).

<sup>114</sup> For example, *Re Application by Cadbury Ltd* (2002) 55 IPR 561.

<sup>115</sup> *Re Cashcard Australia Ltd* [2007] ATMO 70; (2007) 74 IPR 434.

<sup>116</sup> *Arnott’s Biscuits Ltd* [1998] ATMO 29.

<sup>117</sup> Cf. *Harvey v Lion-Beer, Spirits & Wine Pty Ltd* [2013] ATMO 5, [50]-[55]. “Small” sample sizes are not necessarily problematic; the issue is more about the span of the confidence interval (which measures how far the sample mean will depart from the population mean). See generally G. Cumming, *Understanding the New Statistics: Effect Sizes, Confidence Intervals, and Meta-Analysis* (Routledge, 2011).

<sup>118</sup> Cf. the guidance provided under German law, as considered by the CJEU in Joined Cases C-217/13 and C-218/13, *Oberbank AG, Banco Santander SA and Santander Consumer Bank SA v Deutscher Sparkassen- und Giroverband eV* [2014] ETMR 56.

<sup>119</sup> See K. Weatherall et. al., *Testing Trade Mark Law’s Image of the Consumer*, Australian Research Council Linkage Project LP120100249 (2012-15).

<sup>120</sup> [2013] FCA 971; (2013) 103 IPR 1.



(involving “Vendor Advocacy”) and *Kosciuszko Thredbo Pty Ltd v ThredboNet Marketing Pty Ltd*<sup>121</sup> (involving “Thredbo”), show how difficult such a task is likely to be. But one alternative that should not be so easily dismissed might be to seek to register a device mark prominently featuring the descriptive word mark component. Such marks will almost always be considered to have a higher degree of inherent adaptation than the word mark alone. To use an illustration from recent case law, while the word mark TENNIS WAREHOUSE for the online retailing of tennis clothing and equipment was considered to be NSIA, with a relatively low level of inherent adaptation to distinguish,<sup>122</sup> the following device mark for “retailing of goods (by any means)” was held to be prima facie distinctive:<sup>123</sup>



In terms of the scope of protection afforded to such device marks, it might be thought that a mark owner would struggle to prevent another party from using only the descriptive word component of the mark, even if that party’s use constitutes use as a trade mark.<sup>124</sup> There is a long line of Anglo-Australian authority that shows that courts will be slow to make a finding of deceptive similarity where the similarity between the marks results from the common presence of descriptive or laudatory subject matter.<sup>125</sup> However, a recent case might provide some comfort to mark owners. In *REA Group Ltd v Real Estate 1 Ltd*,<sup>126</sup> the registered owner of the following device mark for real estate related goods and services (which had been held to be prima facie distinctive at the registration stage):



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<sup>121</sup> [2013] FCA 563, aff’d [2014] FCAFC 87; (2014) 106 IPR 434.

<sup>122</sup> *Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 664; (2010) 186 FCR 519.

<sup>123</sup> *Fry Consulting Pty Ltd v Sports Warehouse Inc (No 2)* [2012] FCA 81; (2012) 201 FCR 565.

<sup>124</sup> For recent consideration, see *Lift Shop Pty Ltd v Easy Living Home Elevators Pty Ltd* [2014] FCAFC 75; (2014) 106 IPR 419.

<sup>125</sup> See especially *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536, 538-9, where the unanimous High Court emphasised that a consumer would “not be likely to pay any attention to the presence of a common word like rain in the combination” and made it clear that in reaching this conclusion it was concerned to ensure that the trade mark monopoly did not extend too far.

<sup>126</sup> [2013] FCA 559; (2013) 217 FCR 327.

was successful in its infringement action against a competitor using “realestate1.com.au” as its domain name and as a heading to a sponsored link, appearing in Google search results as follows:

**realEstate1.com.au**

www.realestate1.com.au/

Our aim is to make searching for real estate pure, simple and fast!

This was the case even though the respondent’s conduct fell short of constituting passing off/breaching the statutory prohibition on misleading or deceptive conduct. In considering this latter issue, Bromberg J accepted that REA Group had acquired secondary meaning in the term realestate.com.au, but emphasised that “realestate” remained descriptive and that only small differences in the respondent’s use would be needed to avoid a finding of liability.<sup>127</sup> His Honour was not convinced that consumers clicking on the sponsored link would have failed to notice the “1” in the link and would have mistakenly believed they were accessing the realestate.com.au site.<sup>128</sup> In this part of the decision his Honour was very much alive to concerns about giving the applicant a monopoly over descriptive language used in an online context (the applicant’s complaint here being limited to the respondent’s use of “realestate1” only in conjunction with “.com.au”). However, in considering the issue of trade mark infringement, Bromberg J held that the marks were deceptively similar. This was because of the strong evidence that consumers treated “realestate.com.au” in isolation as a brand name, and that the respondent had taken that “precise idea” for its mark, meaning that consumers would be inclined to note the presence of the “.com.au” suffix in both marks but, when scanning search results, would be likely to overlook the “1” in the respondent’s mark.<sup>129</sup> His Honour’s analysis of deceptive similarity focused very much on a comparison of the word components of the two marks – it does not appear that any weight was given to the fact that the registered mark was a compound device mark.

The decision in *REA Group* on trade mark infringement is perhaps best explained on the basis that the court had, in considering passing off, recognised that the owner had acquired

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<sup>127</sup> Ibid, 355 [130], 356 [134].

<sup>128</sup> Ibid, 364-6 [176]-[190].

<sup>129</sup> Ibid, 376 [241], and also at 376-7 [243]-[245] on the relevance of the .com.au suffix in both marks. His Honour was conscious of the monopoly problems of this outcome (at 377 [247]) but addressed this concern separately from the deceptive similarity enquiry. His Honour considered that the only way of mitigating these monopoly problems would be to challenge the validity of the registered mark, which raises an interesting point about whether the distinctiveness test should be recalibrated to make it more difficult to register compound device marks containing highly descriptive word components.

secondary meaning in the term “realestate.com.au”.<sup>130</sup> This raises a question of how the infringement action would have been decided in the absence of a passing off claim, and whether the court would have required the registered mark owner to demonstrate such acquired distinctiveness for deceptive similarity to be established. Concerns have been raised about the decision, with some commentators suggesting that it shows the need for the reintroduction of mandatory disclaimers of descriptive content in registered trade mark law.<sup>131</sup> Another way to achieve a similar end is through a careful application of the deceptive similarity enquiry that is more explicit about the need to ensure that owners are not given overbroad monopolies in descriptive content within compound marks and that recognises that in some situations a degree of consumer confusion might need to be tolerated in order to prioritise other valuable policy goals. For the time being, however, *REA Group* remains an interesting illustration of how an owner of a descriptive brand name might achieve protection over that descriptive content through securing the registration of a compound device mark that prominently features the descriptive word component. While not without its problems, such an approach might overcome some of the difficulties considered in both Part 1 and this article in trying to register the descriptive word mark alone.

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<sup>130</sup> While Bromberg J did not explicitly link the finding that REA Group’s “realestate.com.au” domain name alone had acquired distinctiveness with the finding on deceptive similarity, his Honour did take into account the “widespread consumer recognition” of the domain name (ibid, 374 [233]), and the fact that the domain name was “[o]ne of the central distinguishing features” of REA Group’s registered mark (at 376 [241]).

<sup>131</sup> See D. Ryan and J. Sapountsis, “Should We Reintroduce Mandatory Disclaimers in the Light of the Decisions in *REA Group Ltd v Real Estate 1 Ltd* and *Lift Shop Pty Ltd v Easy Living Pty Ltd*?” (2013) 26 *Australian Intellectual Property Law Bulletin* 134.