

HIGH COURT OF AUSTRALIA

FRENCH CJ, HAYNE, CRENNAN, KIEFEL AND GAGELER JJ

FRENCH CJ, HAYNE, CRENNAN AND KIEFEL JJ:

1 In this appeal from a decision of the Full Court of the Federal Court of Australia the appellant, Cantarella Bros Pty Limited ("Cantarella"), seeks to restore to the Register of Trade Marks ("the Register") two of its registered trade marks ordered to be cancelled by the Full Court.

2 The appeal turns upon the provisions of the *Trade Marks Act* 1995 (Cth) ("the Act"), and the question of whether the two trade marks are "inherently adapted to distinguish" the goods for which they were registered from the goods of other persons. The question arose on a cross-claim of the respondent, Modena Trading Pty Limited ("Modena"), claiming as an "aggrieved person"¹ that the two trade marks were liable to be cancelled because they were not "inherently adapted to distinguish" Cantarella's goods.

3 In proceedings in the Federal Court seeking declaratory and injunctive relief and damages, Cantarella claimed that Modena had infringed two of its registered trade marks². The first is Australian trade mark registration No 829098 for the trade mark "ORO", registered since 24 March 2000 in class 30 in respect of "Coffee; beverages made with a base of coffee, espresso; ready-to-drink coffee; coffee based beverages". The second is Australian trade mark registration No 878231 for the trade mark "CINQUE STELLE", registered since 6 June 2001 in class 30 in respect of "Coffee, coffee essences and coffee extracts; coffee substitutes and extracts of coffee substitutes; coffee-based drinks; tea, tea extracts and tea-based drinks; cocoa, cocoa-based preparations and drinks".

4 Before the primary judge, Cantarella succeeded in establishing infringement. Modena failed in its defence that it had merely used the marks as an indication of quality, and in its cross-claim that the trade marks were not "inherently adapted to distinguish" Cantarella's goods. Modena did not appeal from the primary judge's findings concerning infringement. As to the cross-claim, the primary judge found that, although an Italian speaker would

1 Within the meaning of the Act, s 88(1).

2 Contrary to the Act, s 120(2).

appreciate that "oro" signifies some connection with gold, and that "cinque stelle" signifies five stars, it could not be concluded that "oro" and "cinque stelle" would generally be understood in Australia as having those meanings³. Those findings were not disturbed on appeal. Rather, the Full Court said that the test of whether a mark was "inherently adapted to distinguish" certain goods turned not on what a word constituting the mark was generally understood to mean, but on whether other traders would want to use the word in connection with the same goods.

5 In setting aside orders made by the primary judge and ordering rectification of the Register, the Full Court purported to apply a test stated by Kitto J in *Clark Equipment Co v Registrar of Trade Marks*⁴ ("*Clark Equipment*"). A panel constituted by French CJ and Crennan J granted special leave to appeal from the whole of the judgment and orders made by the Full Court.

6 The only question on the appeal in this Court is whether Cantarella's trade marks "ORO" and "CINQUE STELLE" are "inherently adapted to distinguish" Cantarella's goods within the meaning of s 41(3) of the Act.

7 For the reasons which follow, the appeal to this Court should be allowed and the orders made by the Full Court, including the order for rectification of the Register, should be set aside.

The facts

8 Both Cantarella and Modena advertise, offer for sale and sell coffee products in the Australian coffee industry.

Cantarella

9 Cantarella has, since 1958, imported raw coffee beans sourced globally, which are then roasted, ground, and packaged under the registered trade marks "VITTORIA", "AURORA", "DELTA" and "CHICCO D'ORO". Evidence of the state of the Register on 25 May 2011 showed that Cantarella was the registered proprietor of the trade mark "ORO NERO", registered in class 30 in respect of goods which included "coffee", and the composite trade marks "MEDAGLIA D'ORO", registered in classes 29, 30 and 32 for a variety of foodstuffs and beverages, and "CHICCO D'ORO", registered in class 30 in respect of "coffee". Each of these registrations preceded the registration for "ORO" on its own.

3 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 776 [117].

4 (1964) 111 CLR 511 at 514; [1964] HCA 55.

10 The trade marks "ORO" and "CINQUE STELLE" are used by Cantarella in relation to specific coffee blends. There was no issue at trial that the trade marks "ORO" and "CINQUE STELLE" are in fact distinctive of Cantarella's goods. Each registered trade mark is used by Cantarella not only in Australia, but also in other countries, and Cantarella's trade marks are registered in many of those countries.

Modena

11 Modena imports coffee from Molinari, a company based in central northern Italy. Molinari has, since 1965, produced a blend of coffee using the marks "CAFFÈ MOLINARI" and "ORO". Molinari exports globally, and began exporting products to Australia in about July 1996. From 1996 to 2009, various businesses distributed Molinari products in Australia, using the marks "CAFFÈ MOLINARI" together with "ORO" (from 1996) and "CAFFÈ MOLINARI" together with "CINQUE STELLE" (from 1998). In November 2009, Modena was appointed as Molinari's exclusive Australian distributor. During the period December 2009 to June 2011, Modena distributed various Molinari products, under and by reference to the abovementioned marks used by Molinari. Approximately 18 months before the trial Molinari ceased using the mark "ORO" on its own on its coffee products and substituted the phrase "QUALITÀ ORO", about which Cantarella has no complaint⁵. Further, "CINQUE STELLE" has come to be used by Molinari in respect of its premium blend of coffee.

Other matters

12 There was evidence at trial that coffee products were advertised, offered for sale and sold by companies operating in the coffee industry other than Cantarella and Modena, under and by reference to composite marks which included the Italian word "oro" or the form "d'oro" or the expression "five star" and, in one instance, the word "stelle". That included evidence of the state of the Register led by Cantarella, and evidence of screen shots and packaging samples relied on by Modena.

13 Only Cantarella and Modena used "cinque stelle" in respect of their coffee products. However, Modena attached significance to the circumstance that the expression "five star" was commonly employed in Australia in relation to a variety of businesses including businesses providing accommodation and hospitality services.

14 The proceedings were conducted on the basis that the word "oro" is an Italian word meaning "gold" and that the words "cinque stelle" are Italian words

5 It was noted in the primary judge's orders that nothing in them should be taken to prevent Modena from using the phrase "QUALITÀ ORO" in respect of its products.

meaning "five stars". As it happens, the word "oro" is also a Spanish word meaning "gold"; Italian and Spanish are Romance languages deriving the word "oro" from the Latin noun "aurum", meaning gold.

15 As in English, "gold" is used in Italian as a noun and has adjectival forms. Therefore, both the word "oro" and the form "d'oro" readily combine with other words to form composite trade marks, as in Cantarella's registered trade marks "MEDAGLIA D'ORO" and "CHICCO D'ORO". This can also be seen in examples of registered trade marks of numerous other registered proprietors in evidence at trial – "LAVAZZA QUALITA ORO plus device", "CDO CASA DEL ORO plus device", "PIAZZA D'ORO plus device", "TAZZA D'ORO plus device", "STELLA D'ORO" and "CREMA D'ORO plus device" – which are registered in respect of a variety of goods, including coffee. It was not contended that these registered composite marks, which included foreign words, were deceptively similar, whether visually, aurally or semantically.

16 It should also be noted that the entry in the Register for Cantarella's trade mark "CINQUE STELLE" recorded that the English translation is "five star", although "cinque stelle" means "five stars" in Italian. The expression "five star" is defined in the *Macquarie Dictionary* as an adjective meaning excellent quality owing to its derivation from the highest rating in a system of grading hotels, restaurants and the like⁶.

The Act

17 Section 17 of the Act relevantly defines a trade mark as a "sign" to distinguish one trader's goods from those of another, and "sign" is defined in s 6 to include a word, or a word plus a device. Although the Act does not set out the kinds of trade marks which are registrable, s 17 reflects the objects and policy of all Commonwealth trade marks legislation: (1) that the Register will protect distinctive trade marks⁷; (2) that the monopoly following registration is a sufficient basis upon which to seek relief from infringement; and (3) that the likelihood of deception and confusion between trade marks should be avoided.

18 Sections 27, 31 and 33 of the Act govern the administrative steps required for the registration of a trade mark. Section 27 provides that a person may apply for the registration of a trade mark in respect of goods if the person claims to be the owner of the trade mark and the person is using, or intends to use, the trade mark in relation to the goods. Section 31 provides that the Registrar of Trade Marks ("the Registrar") must examine and report on whether the application has

6 *Macquarie Dictionary*, 5th ed (2009) at 628. See also *The Oxford English Dictionary*, 2nd ed (1989), vol 5 at 978-979, "five", sense C2.

7 *E & J Gallo Winery v Lion Nathan Aust Pty Ltd* (2010) 241 CLR 144 at 162-163 [41]-[42] per French CJ, Gummow, Crennan and Bell JJ; [2010] HCA 15.

been made in accordance with the Act and whether there are grounds for rejecting it. Section 33 provides that the Registrar must, after the examination, accept the application, unless satisfied that the application has not been made in accordance with the Act or that there are grounds for rejecting the application.

19 Division 2 of Pt 4 of the Act (ss 39-44) specifies the grounds upon which an application to register a trade mark must be rejected. Section 41 relevantly covers one of these grounds⁸. At the time relevant to these proceedings, s 41(2) provided that an application for registration must be rejected if the trade mark "is not capable of distinguishing the applicant's goods ... in respect of which the trade mark is sought to be registered ... from the goods ... of other persons"⁹.

20 Section 41(3), which is central to this appeal, stated that in deciding whether s 41(2) applies to an application the Registrar must first take into account the extent to which the trade mark "is inherently adapted to distinguish the designated goods ... from the goods ... of other persons".

21 Section 41(6) provided that a trade mark which lacks "inherent adaption to distinguish" may nevertheless be registered if it can be established that the extent of use before the date of application was such that factual distinctiveness could be established.

22 The Act effected significant changes to Australian trade mark law: earlier legislation had specified the kinds of trade marks which were registrable; for the first time in Australia, the Act only specified the kinds of trade marks which were *not* registrable. However, it was common ground that the provisions of the Act which specify the applications for registration which must be rejected cannot be understood fully without some reference to the interpretation of provisions in the *Trade Marks Act 1905* (Cth) ("the 1905 Act") and the *Trade Marks Act 1955* (Cth) ("the 1955 Act") which specified the kinds of trade marks which were registrable. This is because the statutory language which gives rise to the question on this appeal has a well-understood provenance.

23 Before turning to that provenance, it is worth briefly noting some additional relevant provisions. Section 88 of the Act provides for the cancelling of trade mark registrations. Section 92 provides grounds for their removal for "non-use". A trader who uses a description of goods in good faith has a defence under s 122(1)(b) to infringement proceedings brought pursuant to s 120.

8 Amendments brought about by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth), s 3, Sched 6, item 113 (which substituted a new s 41) commenced after any material date in these proceedings.

9 The concept of a mark being "capable of distinguishing" a trader's goods derives from s 25 of the *Trade Marks Act 1955* (Cth) and the institution of Part B of the Register, explained briefly below.

"Inherently adapted to distinguish" – s 41(3)

24 The Full Court recognised, correctly, that settled principles of trade mark law concerning trade marks which are registrable apply to s 41(3) of the Act, much as they applied to earlier provisions¹⁰. The language of s 41(2) and (3) derives from earlier Australian trade marks legislation, which followed in many respects statutory language used in trade marks legislation in the United Kingdom.

25 It is convenient to start with s 26 of the 1955 Act, which relevantly provided:

- "(1) For the purposes of this Act, a trade mark is not distinctive of the goods of a person unless it is adapted to distinguish goods with which that person is or may be connected in the course of trade from goods in respect of which no such connexion subsists, either generally or, where the trade mark is sought to be registered, or is registered, subject to conditions or limitations, in relation to use subject to those conditions or limitations.
- (2) In determining whether a trade mark is distinctive, regard may be had to the extent to which –
 - (a) the trade mark is inherently adapted so to distinguish; and
 - (b) by reason of the use of the trade mark or of any other circumstances, the trade mark does so distinguish."

Plainly s 41(3) of the Act derives from s 26(2)(a) of the 1955 Act. Equally plainly, the concept of a trade mark acquiring distinctiveness through use, deployed in s 41(5) and (6) of the Act, was expressed in s 26(2)(b).

26 In considering s 26 of the 1955 Act in *Clark Equipment*, Kitto J explained that whether a trade mark consisting of a word¹¹ is "adapted to distinguish" certain goods is to be tested¹²:

"by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives – *in the exercise*,

¹⁰ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 26 [59]-[60].

¹¹ The word in question was the geographical name "Michigan", which was proposed for registration in Part B of the Register: see ss 25 and 26 of the 1955 Act.

¹² (1964) 111 CLR 511 at 514.

that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess – 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." (emphasis added)

27 The purport of the emphasised parenthesis was a particular focus of dispute before the Full Court, which dispute was reiterated in this Court.

28 Cantarella relied on the emphasised passage to support the proposition that the inherent adaptability of a trade mark consisting of a word (including a foreign word) is to be tested by checking the ordinary meaning (that is, the "ordinary signification") of the word to anyone ordinarily purchasing, consuming or trading in the relevant goods, characterised by Cantarella as "the target audience".

29 Modena asserted that the emphasised language was not essential to the test because Lord Parker of Waddington in *Registrar of Trade Marks v W & G Du Cros Ltd*¹³ ("*Du Cros*") stated the test in terms of the likelihood that other traders might legitimately desire to use the word in connection with their goods.

30 The debate makes it necessary to refer to some historical matters which inform and explain the test stated by Kitto J. A consideration of those matters and relevant authorities shows that Cantarella's submissions are correct and must be accepted.

Some historical matters

31 In response to public pressure, the *Trade Marks Registration Act 1875* (UK) first instituted a register of trade marks to overcome the limitations of passing-off actions, which depended, for their success, on proof of reputation with the public¹⁴. A grant of a monopoly under the statute simplified the costs and processes needed to protect a mark. However, significant concerns about granting a monopoly of the use of a word meant that trade marks were first admitted to registration in respect of goods in the United Kingdom on the strict condition that they consist of one or more "essential particulars"¹⁵. It quickly

13 [1913] AC 624 at 635.

14 Underhay, *Kerly on Trade Marks*, 4th ed (1913) at 4-7. See also Cornish, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 2nd ed (1989) at 393-396 [15-002]-[15-006].

15 *Trade Marks Registration Act 1875* (UK), ss 2 and 10. Section 10 provided, among other things, that "essential particulars" included a "name of an individual" and "special and distinctive" words.

became clear that the "essential particulars", which confined the kinds of trade marks which were registrable, also operated to exclude certain distinctive marks from being properly included on the Register¹⁶. This led to substantial amendment and consolidation in the *Trade Marks Act 1905* (UK). Of particular relevance in that consolidation was a new s 9(5), which provided that distinctive marks other than those listed by reference to "essential particulars" could be deemed "distinctive" by the Board of Trade or the courts, provided that they satisfied a new condition – drawn from a new statutory definition of distinctiveness – that they be marks "adapted to distinguish". There was no reference to "inherent adaption" in s 9(5).

32 The 1905 Act, which was modelled on the *Patents, Designs, and Trade Marks Act 1883* (UK) (as amended by the *Patents, Designs, and Trade Marks Act 1888* (UK)), was amended in 1912¹⁷ to follow the consolidation of trade mark law effected by the *Trade Marks Act 1905* (UK).

33 Following s 9 of the *Trade Marks Act 1905* (UK), s 16(1) of the 1905 Act¹⁸ relevantly provided that a registrable trade mark must consist of:

- "(a) ...
- (b) ...
- (c) An invented word or invented words^[19];
- (d) A word or words having no *direct* reference to the character or quality of the goods, and not being *according to its ordinary signification* a geographical name or a surname;
- (e) Any other distinctive mark [other than those which fell within the preceding paragraphs, if deemed distinctive by the Registrar, Law Officer or court]." (emphasis added)

16 Underhay, *Kerly on Trade Marks*, 4th ed (1913) at 10.

17 By the *Trade Marks Act 1912* (Cth).

18 Later, s 24 of the 1955 Act.

19 It is convenient to note that an "invented word" was considered registrable at the time, not as a reward to the proprietor, but because "its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases": *Eastman Photographic Materials Company v Comptroller-General of Patents, Designs, and Trade-marks* [1898] AC 571 at 581 per Lord Herschell ("the *Solio Case*").

34

Section 16(2) provided that "'distinctive' means adapted to distinguish the goods of the proprietor of the trade mark from those of other persons"²⁰. To the extent that the meaning of a word needed to be determined for the purposes of registration, enquiries were conducted on the basis that Australia is an English speaking nation.

Relevant authorities

35

In the United Kingdom a trio of cases concerning the scope of the new s 9(5) of the *Trade Marks Act* 1905 (UK)²¹ soon came before the Court of Appeal²². The enlargement of the category of registrable marks by reference to the new statutory definition of distinctiveness stirred afresh familiar anxiety about the grant of a monopoly of the use of a word. Prefacing their statements as to the legal principles to apply to the new provisions, members of the Court of Appeal confirmed that the word "direct" had been added to the provisions governing registrability in order to permit the entry on the Register of words containing a skilful, covert or allusive reference to goods²³. That addition gave statutory force to what had been said by Lord Macnaghten in the *Solio Case*²⁴. It was also explained that the words "according to its ordinary signification" had been added to deal with the difficulty that a word may have an "ordinary signification" other than as a geographical name, even though it is also the name of a place somewhere²⁵. Deeming a word having a direct reference to goods or a geographical name to be distinctive – a task now permitted under the new s 9(5) – was not to affect the bona fide use by other traders of a description of their goods or to cause confusion in view of their rights. The nature of the words or

20 Following s 9(5) of the *Trade Marks Act* 1905 (UK). In the 1955 Act the cognate provision was s 24(2).

21 Section 16(1) in the 1905 Act.

22 *In re Joseph Crosfield & Sons Ltd* [1910] 1 Ch 130 ("the *Perfection Case*"); *In re California Fig Syrup Company* [1910] 1 Ch 130 ("the *California Syrup of Figs Case*"); *In re H N Brock & Co Ltd* [1910] 1 Ch 130 ("the *Orlwoola Case*"). The Court of Appeal heard and determined the three cases together. In this judgment they are collectively referred to as "the *Perfection, California Syrup of Figs and Orlwoola Cases*".

23 *Perfection, California Syrup of Figs and Orlwoola Cases* [1910] 1 Ch 130 at 141 per Cozens-Hardy MR, 144-146 per Fletcher Moulton LJ.

24 [1898] AC 571 at 583. This was echoed later by Dixon CJ in *Mark Foy's Ltd v Davies Coop & Co Ltd* (1956) 95 CLR 190 at 195 ("*Mark Foy's*"); [1956] HCA 41.

25 As with the trade mark "MAGNOLIA": see *In re Magnolia Metal Company's Trade-marks* [1897] 2 Ch 371.

past use of them were the factors which "limited the possibility of other traders safely or honestly using the words"²⁶.

36 After stating that "[w]ealthy traders are habitually eager to enclose part of the great common of the English language"²⁷ (which echoed their Lordships in the *Solio Case*), Cozens-Hardy MR explained why no monopoly could be granted under s 9(5) for laudatory epithets used as adjectives. Words such as "good" or "best" are incapable of developing a secondary meaning as indicating only an applicant's goods²⁸. Accordingly "Perfection" was not registrable as a trade mark for soap as it was a word which should be open to use by both other traders and members of the public²⁹.

37 Equally, no monopoly could be granted to words consisting of geographical names if their "ordinary signification" described the place of the manufacture or sale of goods³⁰. If, however, a geographical name was part of a composite mark, identified by long use as associated only with the goods of an applicant, it could be registered (as exemplified by "California Syrup of Figs" for an aperient medicine³¹).

38 No monopoly could be granted to trade marks which were merely phonetic equivalents of directly descriptive words, such as "Orlwoola" for textile fabrics³².

39 In explaining those disparate circumstances in which the "ordinary signification" of a word affected a grant of a monopoly of its use, their Lordships

26 *Perfection, California Syrup of Figs and Orwoola Cases* [1910] 1 Ch 130 at 148 per Fletcher Moulton LJ.

27 *Perfection, California Syrup of Figs and Orwoola Cases* [1910] 1 Ch 130 at 141 per Cozens-Hardy MR.

28 *Perfection, California Syrup of Figs and Orwoola Cases* [1910] 1 Ch 130 at 141-142 per Cozens-Hardy MR.

29 *Perfection Case* [1910] 1 Ch 130 at 143 per Cozens-Hardy MR, 149 per Fletcher Moulton LJ, 153-154 per Farwell LJ.

30 *Perfection, California Syrup of Figs and Orwoola Cases* [1910] 1 Ch 130 at 141 per Cozens-Hardy MR. See also the *Solio Case* [1898] AC 571 at 574-575 per Earl of Halsbury LC.

31 *California Syrup of Figs Case* [1910] 1 Ch 130 at 143 per Cozens-Hardy MR, 150 per Fletcher Moulton LJ, 154 per Farwell LJ.

32 *Orwoola Case* [1910] 1 Ch 130 at 143-144 per Cozens-Hardy MR, 150 per Fletcher Moulton LJ, 154-155 per Farwell LJ.

recognised that any word in English could prima facie be used as a trade mark but would not necessarily qualify to be registered as one. In drawing their conclusions in respect of the three trade marks under consideration, their Lordships indicated that the determination of whether a word has "direct reference" to goods (prima facie precluding a monopoly of its use) depends critically on the goods themselves, because a word containing a direct reference to goods in one trade may not convey any such direct reference to goods in another trade³³. An example given later was the use of the words "North Pole" for bananas³⁴.

40 It was thus established early in the development of trade mark law in the United Kingdom that the "ordinary signification" of any word, or words, constituting a trade mark is important, whether a challenge to the registrability of a trade mark is based on the word having a laudatory or directly descriptive meaning, or on the word being, according to its "ordinary signification", a geographical name (or, in those times, a surname).

41 In *Du Cros*, Lord Parker's speech was also directed to s 9(5) of the *Trade Marks Act 1905* (UK)³⁵. Lord Parker was not dealing with a word but with two applications for registration of a trade mark consisting of two letters of the alphabet joined by an ampersand. The question was whether those marks were registrable under s 9(5), being "adapted to distinguish" certain goods, as letters of the alphabet were not included in the "essential particulars" in sub-ss (1), (2), (3) or (4) of s 9. Lord Parker said that the registrability of a trade mark as "distinctive" should³⁶:

"largely depend upon whether other traders are likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods."

42 As Lord Parker explained when applying the principle (since much relied upon), even though a mark may have acquired some distinctiveness through use,

33 *Perfection, California Syrup of Figs and Orlwoola Cases* [1910] 1 Ch 130 at 144, 150 per Fletcher Moulton LJ, 151, 154 per Farwell LJ.

34 *A Baily & Co Ltd v Clark, Son & Morland* [1938] AC 557 at 562 per Lord Maugham LC.

35 As already mentioned, like s 16(2) of the 1905 Act, s 9(5) did not speak of "inherent" adaption to distinguish but used only the phrase "adapted to distinguish".

36 *Du Cros* [1913] AC 624 at 635.

a person should not be given a monopoly of letters of the alphabet, which other traders may legitimately desire to use because they have the same initials³⁷.

43 Earlier that same year, a similar point had been made in respect of s 9(5) and the distinctiveness of a surname, which others may share and wish to use. In *In re R J Lea Ltd's Application*³⁸ ("*R J Lea*") Hamilton LJ said³⁹:

"Further the Act says 'adapted to distinguish'; the mere proof or admission that a mark does in fact distinguish does not ipso facto compel the judge to deem that mark to be distinctive. It must be further 'adapted to distinguish,' which brings within the purview of his discretion the wider field of the interests of strangers and of the public."

44 The requirement that a proposed trade mark be examined from the point of view of the possible impairment of the rights of honest traders to do that which, apart from the grant of a monopoly, would be their natural mode of conducting business (Lord Parker), and from the wider point of view of the public (Hamilton LJ), has been applied to words proposed as trade marks for at least a century, irrespective of whether the words are English or foreign. The requirement has been adopted in numerous decisions of this Court dealing with words as trade marks under the 1905 Act and the 1955 Act⁴⁰. Those decisions show that assessing the distinctiveness of a word commonly calls for an enquiry into the word's ordinary signification and whether or not it has acquired a secondary meaning.

37 *Du Cros* [1913] AC 624 at 635-636. Another trader will not legitimately and honestly desire to use letters of the alphabet to describe their goods if the letters of the alphabet have, through long use, come to distinguish only an applicant's goods, as occurred in *British Petroleum Co Ltd v European Petroleum Distributors Ltd* [1968] RPC 54.

38 [1913] 1 Ch 446.

39 [1913] 1 Ch 446 at 463.

40 *Thomson v B Seppelt & Sons Ltd* (1925) 37 CLR 305 at 312-313 per Isaacs J, 315 per Rich J; [1925] HCA 40; *Mangrove Belting Ltd v J C Ludowici & Son Ltd* (1938) 61 CLR 149 at 160-161 per Rich J; [1938] HCA 67; *Mark Foy's* (1956) 95 CLR 190 at 201 per Williams J; *Clark Equipment* (1964) 111 CLR 511 at 513-515 per Kitto J; *F H Faulding & Co Ltd v Imperial Chemical Industries Ltd* (1965) 112 CLR 537 at 555-557 per Kitto J ("*Faulding*"); [1965] HCA 72; *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417 at 425 per Gibbs J ("*Burger King*"); [1973] HCA 15.

Foreign words

45 Establishing the "ordinary signification" of a trade mark consisting of a word is just as critical if the word is to be found in a dictionary of a foreign language. This is particularly so when an objection to registrability is based on an assertion that the mark is not an invented word because it makes direct reference to the character or quality of the goods in question. The *Solio Case* concerned the registrability of "SOLIO" for photographic papers. It had been contended that "solio" (a word in Italian and Latin) was not an invented word and moreover was a word containing a "reference" to the goods⁴¹. Lord Macnaghten stated the principle to be applied to a word put forward as an invented word⁴²:

"If [a word] is an invented word, if it is 'new and freshly coined' (to adapt an old and familiar quotation), it seems to me that it is no objection that it may be traced to a foreign source, or that it may contain a covert and skilful allusion to the character or quality of the goods. I do not think that it is necessary that it should be wholly meaningless."

46 That was followed by Parker J (as his Lordship then was) in *Philippart v William Whiteley Ltd*⁴³ ("the *Diabolo Case*") when he found a trade mark consisting of the Italian word "diabolo" unregistrable, because it applied to a well-known game in England called "the devil on two sticks", for which reason it could not be treated as an "invented word". Parker J explained⁴⁴:

"To be an invented word, within the meaning of the Act, a word must not only be newly coined in the sense of not being already current in the English language, but must be such as not to convey any meaning, or at any rate any obvious meaning, to ordinary Englishmen."

47 In *Howard Auto-Cultivators Ltd v Webb Industries Pty Ltd*⁴⁵ ("Howard"), Dixon J stated what was required for a word to qualify as an invented word. Citing Lord Macnaghten in the *Solio Case*, his Honour said that although a word should be⁴⁶:

41 *Solio Case* [1898] AC 571 at 572-573.

42 *Solio Case* [1898] AC 571 at 583.

43 [1908] 2 Ch 274.

44 [1908] 2 Ch 274 at 279.

45 (1946) 72 CLR 175; [1946] HCA 15.

46 (1946) 72 CLR 175 at 181. See also the examples from English authorities given by his Honour at 183.

"substantially different from any word in ordinary and common use ... [it] need not be wholly meaningless and it is not a disqualification 'that it may be traced to a foreign source or that it may contain a covert and skilful allusion to the character or quality of the goods.'"

48 These authorities show that it is not the meaning of a foreign word as translated which is critical, although it might be relevant. What is critical is the meaning conveyed by a foreign word to those who will be concerned with the relevant goods.

49 In *Kiku Trade Mark*⁴⁷, the Supreme Court of Ireland approved Parker J's speech in the *Diabolo Case* and held that the Japanese word "kiku", meaning chrysanthemum, was registrable for perfume because the word had no "direct reference" to the character or quality of the goods⁴⁸. The Court considered that a word which required translation could not be said to have any signification to ordinary people living in Ireland who see and hear it. That approach accords with Dixon J's statement of principle in *Howard*.

Words containing a reference to goods

50 The practical difference between a word making some "covert and skilful allusion" to the goods (prima facie registrable) and a word having a "direct reference" to goods (prima facie not registrable) is well illustrated in two Australian cases decided under the 1905 Act. Understanding the distinction is the key to resolving this appeal.

51 In *Howard*, this Court was considering whether a trade mark consisting of the word "rohoe" was registrable as an invented word in respect of agricultural implements⁴⁹. Parker J's reference in the *Diabolo Case* to a word (in that case a foreign word) having an "obvious meaning" to "ordinary Englishmen" was considered by Dixon J⁵⁰. Because of the special nature of the goods to which "rohoe" was to be applied, Dixon J said the question was whether the word "rohoe" would appear as an obvious contraction of "rotary hoe" and be so understood by "a farmer, a horticulturist, a trader in agricultural and horticultural implements or a person otherwise concerned with them"⁵¹.

47 [1978] FSR 246.

48 [1978] FSR 246 at 249-250.

49 Section 16(1)(c) of the 1905 Act.

50 (1946) 72 CLR 175 at 183.

51 (1946) 72 CLR 175 at 185.

52

By comparison, in *Mark Foy's*, the trade mark "TUB HAPPY" was found registrable by a majority in this Court as a trade mark having no direct reference to the character or quality of cotton garments. In agreeing with Williams J, Dixon CJ described the test for a word having "direct reference to the character or quality of the goods"⁵² as lying "in the probability of ordinary persons understanding the words, in their application to the goods, as describing or indicating or calling to mind either their nature or some attribute they possess"⁵³. His Honour considered "TUB HAPPY" to be allusive such that it did not convey a meaning or idea "sufficiently tangible" to amount to a "direct reference" to the character or quality of the goods⁵⁴. Citing with approval Lord Macnaghten in the *Solio Case* and Parker J in the *Diabolo Case*, Williams J illustrated why a covert and skilful allusive reference to goods does not render a word directly descriptive of goods as that expression is used in trade mark law⁵⁵. His Honour said the registration of "TUB HAPPY" for cotton goods did not prevent others from describing their cotton goods as having the characteristics or qualities of "washability, freshness and cheapness"⁵⁶.

The provenance of "inherently adapted to distinguish" – s 41(3)

United Kingdom

53

In the United Kingdom the statutory conditions for registration of a trade mark were further liberalised by the introduction of Part B of the Register in 1919⁵⁷. In essence, Part B was reserved for marks not considered registrable in Part A as "adapted to distinguish", but which were nevertheless "capable of distinguishing" an applicant's goods from those of other traders. At first the British courts struggled to articulate the difference⁵⁸. The notion that a mark fully distinctive in fact might nevertheless not be "capable of distinguishing" in law was not easy to apply⁵⁹. This led to an amended and more expansive

52 1905 Act, s 16(1)(d) (subsequently the 1955 Act, s 24(1)(d)).

53 (1956) 95 CLR 190 at 195.

54 (1956) 95 CLR 190 at 195.

55 (1956) 95 CLR 190 at 201.

56 (1956) 95 CLR 190 at 201-202.

57 *Trade Marks Act* 1919 (UK).

58 See "*Weldmesh*" *Trade Mark* [1966] RPC 220 at 227 per Wilmer LJ. See also White and Jacob, *Kerly's Law of Trade Marks and Trade Names*, 11th ed (1983) at 120-122 [8-73]-[8-74].

59 See *In the Matter of an Application by Hans Lauritzen for the Registration of a Trade Mark* (1931) 48 RPC 392 at 397 per Eve J.

statutory definition of "distinctiveness" by reference to whether a mark was "inherently adapted to distinguish", and by reference to whether a mark had acquired distinctiveness "by reason of ... use"⁶⁰.

54 In *Smith Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd*⁶¹, Lord Diplock referred to that first appearance of the term "inherently adapted to distinguish" in s 9(3) of the *Trade Marks Act* 1938 (UK) (which influenced s 26(2) of the 1955 Act and which in turn influenced s 41(3) of the Act)⁶²:

"[L]ong before the reference to inherent adaptability had been incorporated in the current statutes dealing with trade marks, it had been held upon grounds of public policy that a trader ought not to be allowed to obtain by registration under the Trade Marks Act a monopoly in what other traders may legitimately desire to use. The classic statement of this doctrine is to be found in the speech of Lord Parker in [*Du Cros*] ... The reference to 'inherently adapted' in s 9(3) of the Consolidation Act of 1938, which was first enacted in 1937, has always been treated as giving statutory expression to the doctrine as previously stated by Lord Parker."

Australia

55 In Australia, the 1955 Act again followed legislation in the United Kingdom by instituting a Part B of the Register for marks "capable of becoming distinctive" of an applicant's goods (being the provisions of immediate concern in *Clark Equipment* and *Burger King*). The institution of Part B provided the context for the inclusion of the expanded definition of "distinctiveness" in s 26(1) and (2) extracted above. As explained by Gibbs J in *Burger King*, although the concepts and statutory language concerning Part B followed the United Kingdom, the drafting of those provisions differed⁶³.

"Ordinary signification" and "inherently adapted to distinguish"

56 In *Faulding*, this Court considered whether the registered trade mark "BARRIER", for skin creams which protected against industrial dermatitis, should be removed from the Register because the word directly described the

60 *Trade Marks Act* 1938 (UK), s 9(3).

61 [1975] 1 WLR 914; [1975] 2 All ER 578.

62 [1975] 1 WLR 914 at 921-922; [1975] 2 All ER 578 at 585-586.

63 (1973) 128 CLR 417 at 424-425. See also *Chancellor, Masters and Scholars of the University of Oxford v Registrar of Trade Marks* (1990) 24 FCR 1 at 22-25 per Gummow J.

character or quality of the goods. In the context of the general principle stated by Lord Parker in *Du Cros*, Kitto J said that, but for the evidence, it might have been supposed that the word "barrier" was not a word which others might wish to use in respect of the goods. However, the evidence showed that persons concerned with skin creams – persons in industry, pharmacists and other persons (ie not just rival traders) – were all persons who might have a "need for a word ['barrier'] to describe succinctly and yet exactly the essential characteristic of protection which distinguishes the whole of the relevant class of creams"⁶⁴. Kitto J went on to explain the facts and the relevance of an enquiry into the ordinary signification of a word when deciding whether a monopoly of the use of a word granted under trade marks legislation should be withdrawn⁶⁵:

"[A]t least by the year of the initial registration of the appellant's trade mark (1943) the word Barrier had caught on as a word peculiarly apt, according to its ordinary signification, for descriptive use in connexion with skin protective creams, so that any trader in such creams would be very likely indeed, in the ordinary course of business and without any improper motive, to desire to use the word in order to distinguish such creams in general from creams intended for other purposes ... What matters is that at all material times the word has had such a place in the vocabulary of persons concerned with skin protective creams that according to the principle which must be applied under the *Trade Marks Acts* the appellant cannot be allowed a monopoly of its use in connexion with such creams."

57

In *Clark Equipment*, Kitto J considered for the purposes of registration in Part B the word "Michigan", which had acquired distinctiveness through 20 years of use in respect of the applicant's goods despite the fact that it was a geographical name of a State in America. After approving Lord Parker's test in *Du Cros* and Hamilton LJ's observation in *R J Lea*, his Honour explained that directly descriptive words, like geographical names, are not prima facie suitable for the grant of a monopoly because use of them as trade marks will rarely eclipse their "primary" (that is, ordinary) signification⁶⁶. Such a word, his Honour said, "is plainly not inherently, ie in its own nature, adapted to distinguish the applicant's goods"⁶⁷. Traders may legitimately want to use such words in connection with their goods because of the reference they are "inherently adapted to make" to those goods⁶⁸. Kitto J's elaboration of the

64 (1965) 112 CLR 537 at 555.

65 (1965) 112 CLR 537 at 556-557.

66 (1964) 111 CLR 511 at 515.

67 (1964) 111 CLR 511 at 515.

68 (1964) 111 CLR 511 at 515.

principle, derived from Lord Parker's speech in *Du Cros*, applies with as much force to directly descriptive words as it does to words which are, according to their ordinary signification, geographical names.

58 In *Burger King*, Gibbs J applied Kitto J's test to a directly descriptive word when his Honour declined to find "WHOPPER" registrable in Part B in respect of hamburgers. His Honour explained that "whopper" is not "inherently adapted" to distinguish hamburgers because it is an ordinary English word, apt to describe a characteristic of hamburgers, namely their size, and moreover could be used in a laudatory sense⁶⁹. It is because of the ordinary signification or meaning of the word "whopper" to anyone concerned with hamburgers that a rival trader might, without improper motive, desire to use "whopper" to describe that trader's hamburgers.

59 The principles settled by this Court (and the United Kingdom authorities found in this Court to be persuasive) require that a foreign word be examined from the point of view of the possible impairment of the rights of honest traders and from the point of view of the public. It is the "ordinary signification" of the word, in Australia, to persons who will purchase, consume or trade in the goods which permits a conclusion to be drawn as to whether the word contains a "direct reference" to the relevant goods (*prima facie* not registrable) or makes a "covert and skilful allusion" to the relevant goods (*prima facie* registrable). When the "other traders" test from *Du Cros* is applied to a word (other than a geographical name or a surname), the test refers to the legitimate desire of other traders to use a word which is directly descriptive in respect of the same or similar goods. The test does not encompass the desire of other traders to use words which in relation to the goods are allusive or metaphorical. In relation to a word mark, English or foreign, "inherent adaption to distinguish" requires examination of the word itself, in the context of its proposed application to particular goods in Australia.

The proceedings below

The primary judge

60 Before the primary judge, in reliance on s 41(3) of the Act, Modena contended that "oro" and "cinque stelle" were words that other traders might, without improper motive, wish to use as "varietal indicators on their Italian-style coffee products", and that the word "oro" was already used in Australia in relation to coffee by other traders⁷⁰. It was submitted that the words were not distinctive at their respective filing dates, and that the evidence indicated the words were commonplace in marketing generally, and particularly in relation to

69 (1973) 128 CLR 417 at 425.

70 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 773 [103].

Italian-style coffee, in Australia. Thus it was said that the words were directly descriptive of characteristics of Cantarella's goods and that they had acquired no secondary meaning – that is, distinctiveness – in respect of Cantarella's goods.

61 In rejecting those arguments, the primary judge held that Cantarella's trade marks were distinctive, following authorities in this Court. The primary judge then considered the number of Italian speakers in Australia, and the degree to which the words "oro" and "cinque stelle" are understood in Australia. His Honour concluded that only a "very small minority" of English speakers in Australia would understand the meaning of the words, and that the Italian language is not "so widely spread" that the words would be generally understood as meaning "gold" and "five stars" respectively⁷¹. His Honour concluded that Cantarella's trade marks "ORO" and "CINQUE STELLE" are sufficiently inherently adapted to distinguish the goods of Cantarella from the goods of other persons⁷². The primary judge found that Modena had infringed Cantarella's trade marks, made orders to that effect, and dismissed Modena's cross-claim⁷³.

Full Court

62 The Full Court overturned the decision of the primary judge, holding that Cantarella's trade marks "ORO" and "CINQUE STELLE" should be cancelled and removed from the Register pursuant to s 88 of the Act⁷⁴.

63 The Full Court considered, correctly, that the applicable principle to apply, in interpreting s 41(3), had been stated by Kitto J in *Clark Equipment*. However, their Honours considered that the passage italicised above was a broad guiding principle, "not to be applied as though it were a statute"⁷⁵. The Full Court considered that, in interpreting s 41(3), the primary judge had not applied the correct test and had fallen into error⁷⁶. Their Honours said that Kitto J's references in *Clark Equipment* to the "common right of the public" and the

71 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 776 [117].

72 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 776 [118].

73 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 790 [196]-[198].

74 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 33-34 [106].

75 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 28 [71]-[72].

76 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 24 [49].

"common heritage" are "fluid and their content will vary according to the particular case"⁷⁷ and interpreted Kitto J's reference to the "common right of the public" as referring to "members of the public who are or may become traders"⁷⁸. Rejecting an "Anglocentric perspective" and having considered *Clark Equipment* as explained, the Full Court said of Cantarella's trade marks "ORO" and "CINQUE STELLE" that "[t]he words in Italian are entirely descriptive of their quality as premium coffee products"⁷⁹ and that it was "unnecessary ... that consumers know what the words mean in English" because the "common heritage" included "traders in coffee products sourced from Italy"⁸⁰.

64 Then the Full Court turned to the factual issue of "distinctiveness" and stated that "in judging the likelihood of what traders may wish to do, it is relevant to know whether or not other traders have also used the words"⁸¹. As to the evidence, the Full Court considered that "oro" and "cinque stelle" were Italian words signifying the highest quality, that other coffee traders had used the words "according to their ordinary signification as words descriptive of the quality of the coffee products" and that they "have been used in that sense, although not as trade marks, for a significant period of time extending well before Cantarella's registration of its marks and afterwards"⁸².

Submissions

Cantarella

65 On the appeal in this Court, Cantarella submitted that the primary judge approached the question of the meaning of Cantarella's trade marks "ORO" and "CINQUE STELLE" correctly, in the light of settled authority in which this

77 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 30-31 [84].

78 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 29-30 [80].

79 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 31 [85], [87].

80 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 31 [85], [88].

81 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 31 [87].

82 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 32 [97].

Court has approved Lord Parker's speech in *Du Cros* and interpreted relevant provisions (prior to s 41(3))⁸³.

66 It was also submitted that the Full Court erred in assessing the inherent adaptability to distinguish of "ORO" and "CINQUE STELLE" by focussing on them as Italian words, as they occurred in disparate composite marks in the relevant trade (including two prior registered trade marks, one of which belonged to Cantarella), rather than determining how the words would be understood in Australia by the target audience.

67 Cantarella submitted that assessing whether a foreign word is inherently adapted to distinguish is no different from assessing any word in English, including invented words, for the same purpose. The first step is to ask what is the ordinary signification (ie the ordinary meaning) of a word. The second step is to test the likelihood that honest traders may wish to use the word in connection with their goods because of its ordinary meaning.

Modena

68 Modena sought to uphold the Full Court's reasoning by contending that the "inherent adaptability to distinguish" of a word, proposed as a trade mark, is not to be tested by whether the word has an "ordinary signification" or "ordinary meaning" or "a meaning to ordinary people". Relying particularly on Lord Parker's speech in *Du Cros*, Modena contended that the test is confined to whether other traders would be at least likely, in the ordinary course of their business and without any improper motive, to desire to use the word in connection with a particular product.

69 It was submitted that the evidence available at trial proved that it was not just likely but certain that rival traders would want to use "oro" and "cinque stelle" in connection with coffee. This was said to reflect the circumstance that Australia has large ethnic populations such that rival traders will readily want to use "oro" and "cinque stelle" in connection with coffee products because they understand Italian or because they may be importers of Italian coffee, or because they routinely use those words in connection with such products.

Interpretation of s 41(3)

70 In accordance with the principles established in *Mark Foy's* and restated in *Clark Equipment*, *Faulding* and *Burger King*, determining whether a trade mark is "inherently adapted to distinguish", as required by s 41(3), requires consideration of the "ordinary signification" of the words proposed as trade

83 *Clark Equipment* (1964) 111 CLR 511 at 513-515 per Kitto J. See also *Mark Foy's* (1956) 95 CLR 190 at 194-195 per Dixon CJ; *Faulding* (1965) 112 CLR 537 at 554-556 per Kitto J; *Burger King* (1973) 128 CLR 417 at 424-425 per Gibbs J.

marks to any person in Australia concerned with the goods to which the proposed trade mark is to be applied.

71 As shown by the authorities in this Court, the consideration of the "ordinary signification" of any word or words (English or foreign) which constitute a trade mark is crucial, whether (as here) a trade mark consisting of such a word or words is alleged not to be registrable because it is not an invented word and it has "direct" reference to the character and quality of goods⁸⁴, or because it is a laudatory epithet⁸⁵ or a geographical name⁸⁶, or because it is a surname⁸⁷, or because it has lost its distinctiveness⁸⁸, or because it never had the requisite distinctiveness to start with⁸⁹. Once the "ordinary signification" of a word, English or foreign, is established an enquiry can then be made into whether other traders might legitimately need to use the word in respect of their goods. If a foreign word contains an allusive reference to the relevant goods it is prima facie qualified for the grant of a monopoly⁹⁰. However, if the foreign word is understood by the target audience as having a directly descriptive meaning in relation to the relevant goods, then prima facie the proprietor is not entitled to a monopoly of it⁹¹. Speaking generally, words which are prima facie entitled to a monopoly secured by registration are inherently adapted to distinguish.

Application of s 41(3)

72 Because coffee is a commodity and a familiar beverage consumed by many, the consideration of the "ordinary signification" of the words "oro" and "cinque stelle" in Australia undertaken by the primary judge accorded with settled principles. The Full Court's rejection of what it called an "Anglocentric" approach revealed a misunderstanding of the expression "ordinary signification"

84 *Howard* (1946) 72 CLR 175; *Faulding* (1965) 112 CLR 537.

85 *Burger King* (1973) 128 CLR 417.

86 *Thomson v B Seppelt & Sons Ltd* (1925) 37 CLR 305; *Clark Equipment* (1964) 111 CLR 511. See also *Chancellor, Masters and Scholars of the University of Oxford v Registrar of Trade Marks* (1990) 24 FCR 1.

87 *Mangrovite Belting Ltd v J C Ludowici & Son Ltd* (1938) 61 CLR 149.

88 *James A Jobling & Co Ltd v James McEwan & Co Pty Ltd* [1933] VLR 168.

89 *Faulding* (1965) 112 CLR 537.

90 *Howard* (1946) 72 CLR 175 and *Mark Foy's* (1956) 95 CLR 190 approving the *Solio Case* [1898] AC 571.

91 *Howard* (1946) 72 CLR 175 and *Mark Foy's* (1956) 95 CLR 190 approving the *Diabolo Case* [1908] 2 Ch 274.

as it has been used in Australia (and the United Kingdom) since at least 1905 to test the registrability of a trade mark consisting of a word or words, English or foreign.

73 Both Modena in argument and the Full Court in its reasons misunderstood Lord Parker's reference in *Du Cros* to the desire of other traders to use the same or similar mark in respect of their goods. Lord Parker was not referring to the desire of traders to use words, English or foreign, which convey an allusive or metaphorical meaning in respect of certain goods. What Lord Parker's "other traders" test means in practice is well illustrated by the fate of the marks considered in *Faulding*, *Clark Equipment* and *Burger King*. Like "TUB HAPPY" in respect of cotton goods, "ORO" and "CINQUE STELLE" were not shown to convey 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.

74 The evidence, relied on by Modena at trial, did not show that "ORO" and "CINQUE STELLE" should not be registered as trade marks (and should be removed from the Register as trade marks) because their registration would preclude honest rival traders from having words available to describe their coffee products either as Italian coffee products or as premium coffee products or as premium blend coffee products.

75 The evidence led by Modena purporting to show that rival traders used (or desired to use) the word "oro" to directly describe their coffee products showed no more than that the word "oro" or the form "d'oro" had been employed on internet sites and coffee product packaging in respect of coffee products in a range of composite marks featuring Italian words which ostensibly were distinguishable aurally, visually and semantically. Further, the presence on the Register, before Cantarella's trade mark "ORO" was registered, of another proprietor's composite mark "LAVAZZA QUALITA ORO plus device" and Cantarella's own composite mark "MEDAGLIA D'ORO" in respect of coffee products fell well short of proving that the word "oro", standing alone, is understood in Australia by persons concerned with coffee products to be directly descriptive of the character or quality of such goods.

76 The evidence led by Modena to show that some traders in Australia used the expression "five star" on packaging of coffee and many traders used "five star" in respect of a range of services including restaurant and accommodation services also fell well short of proving that "cinque stelle" is understood in Australia by persons concerned with coffee products to be directly descriptive of the character or quality of such goods.

77 Modena's complaint that the primary judge insufficiently considered the desires of rival traders to use the words "oro" or "cinque stelle" to directly describe their coffee goods was premised on a misconception that such was demonstrated by the evidence. The primary judge was right to reject Modena's submission, based on the evidence, that honest traders might legitimately wish to

use the words to directly describe, or indicate, the character or quality of their goods.

Conclusion

78 For the reasons given, Cantarella's registered trade marks "ORO" and "CINQUE STELLE" are inherently adapted to distinguish the goods for which they are registered from the goods of other persons.

Orders

79 Orders should be made as follows:

1. Appeal allowed with costs.
2. Set aside the orders of the Full Court of the Federal Court of Australia made on 30 September 2013 and, in their place, order that the appeal to that Court be dismissed with costs.

GAGELER J:

80 Agreeing with the Full Court of the Federal Court's construction and application of s 41 of the *Trade Marks Act 1995* (Cth) ("the Act"), I would dismiss the appeal.

Construction

81 Part of the design of the Act was to implement Australia's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS"), which forms Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization ("the WTO"), done at Marrakesh on 15 April 1994. Article 15.1 of TRIPS provides:

"Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs ... shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use."

Article 1.1 of TRIPS provides that Members of the WTO "shall be free to determine the appropriate method of implementing the provisions of [TRIPS] within their own legal system and practice".

82 The Act tracks the language of Art 15.1 of TRIPS in defining a "trade mark", in s 17, in terms of a "sign" and requiring, in s 41, rejection of an application for a trade mark that is not "capable of distinguishing" the applicant's goods or services from the goods or services of other persons.

83 Giving content to the expression "capable of distinguishing", however, the Act departs from the language of Art 15.1 of TRIPS in favour of language drawn from earlier Australian trade mark legislation. That departure is deliberate. The language chosen has a long history and long before 1995 had acquired a stable meaning. The Working Party, acceptance of whose recommendation by the Australian Government led to the introduction of s 41⁹², stated that it had "no intention of changing the current concept of distinctiveness as measured by existing provisions"⁹³.

84 The extent to which a trade mark is "inherently adapted to distinguish" – the language of s 41 – is the language of s 26(2)(a) of the *Trade Marks Act 1955* (Cth) ("the 1955 Act"). That language of the 1955 Act originated in s 9(3) of the *Trade Marks Act 1938* (UK) ("the 1938 UK Act"). There it had "always been treated as giving statutory expression" to the "public policy" "that a trader ought not to be allowed to obtain by registration ... a monopoly in what other traders may legitimately desire to use"⁹⁴.

85 The public policy expressed in the speech of Lord Parker of Waddington in *Registrar of Trade Marks v W & G Du Cros Ltd*⁹⁵ was articulated in the context of addressing the meaning of "adapted to distinguish" in s 9(5) of the *Trade Marks Act 1905* (UK). It was captured by Isaacs J addressing, in *Thomson v B Seppelt & Sons Ltd*, the meaning of the same words in s 16(2) of the *Trade Marks Act 1905* (Cth) ("the 1905 Act")⁹⁶:

"The statutory criterion looks wholly to the future, and seeks to know 'What will be the effect of the mark after registration?' Is it adapted in future trade to distinguish the proprietor's goods from those of other persons? That, however, does not mean 'is the word adapted to acquire distinctiveness?' but 'is the word instantly adapted to distinguish the

92 Australia, House of Representatives, *Parliamentary Debates* (Hansard), 27 September 1995 at 1910.

93 Working Party to Review the Trade Marks Legislation, *Recommended Changes to the Australian Trade Marks Legislation*, (1992) at 43.

94 *Chancellor, Masters and Scholars of the University of Oxford (trading as Oxford University Press) v Registrar of Trade Marks* (1990) 24 FCR 1 at 17, quoting *Smith Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1975] 1 WLR 914 at 921-922; [1975] 2 All ER 578 at 585-586.

95 [1913] AC 624 at 634-635.

96 (1925) 37 CLR 305 at 312; [1925] HCA 40. See also *Bayer Pharma Pty Ltd v Farbenfabriken Bayer Aktiengesellschaft* (1965) 120 CLR 285 at 332-333; [1965] HCA 71.

proprietor's goods in his future trade?' ... That must in all fairness be so, because otherwise it would be enlisting registration itself as an aid in making a mark actually distinctive, and so preventing partly by statutory assistance other traders from using the mark if they so desired."

86 The public policy gave rise to a legal discrimen which was given succinct authoritative expression in *F H Faulding & Co Ltd v Imperial Chemical Industries Ltd*⁹⁷. Again addressing the meaning of the words "adapted to distinguish" in s 16(2) of the 1905 Act, Kitto J (with whom Barwick CJ and Windeyer J agreed) said⁹⁸:

"[T]he question to be asked in order to test whether a word is adapted to distinguish one trader's goods from the goods of all others is whether the word is one which other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use upon or in connexion with their goods".

His Honour's reasoning in that case demonstrated that actual use of the word by other traders before and after registration may be logically probative of that question⁹⁹. Yet it also emphasised that application of the test was separate from and anterior to any question as to whether or not another particular trader may have begun to use the word with a view to appropriating an applicant's reputation¹⁰⁰.

87 The content of the test expressed in *F H Faulding* is illustrated by three decisions of individual judges upholding decisions of the Registrar of Trade Marks to refuse registration of a word as a trade mark in the application of s 26(2)(a) of the 1955 Act.

88 The first decision, of Kitto J in *Clark Equipment Co v Registrar of Trade Marks*¹⁰¹, is that with which the test has come commonly to be associated. Kitto J upheld a decision to refuse registration of "MICHIGAN" as a trade mark in respect of earth-moving equipment. Whether a trade mark was to any extent "inherently adapted to distinguish", Kitto J explained, was to be tested by reference to¹⁰²:

97 (1965) 112 CLR 537; [1965] HCA 72.

98 (1965) 112 CLR 537 at 555.

99 (1965) 112 CLR 537 at 555-556.

100 (1965) 112 CLR 537 at 556-557.

101 (1964) 111 CLR 511; [1964] HCA 55.

102 (1964) 111 CLR 511 at 514.

"the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives – in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess – 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."

There was no evidence in *Clark Equipment* that any other manufacturer produced similar goods in Michigan. There was evidence that the applicant had registered the word as a trade mark in the United States. The effect of that registration, Kitto J was prepared to assume, was that no other manufacturer of earth-moving equipment was free to use the word as a trade mark for its goods in that country¹⁰³. Yet Kitto J found it "impossible to conclude that there [was] no likelihood of other traders, in the ordinary course of their businesses and without any desire to get for themselves a benefit from the [applicant's] reputation, wishing in advertisements and otherwise to describe (eg) their power cranes from Michigan as Michigan power cranes"¹⁰⁴. Traders "may well wish by such means to take legitimate advantage of a reputation which they believe or hope that the State of Michigan possesses among Australians for the quality of its manufacturing products, and it would be contrary to fundamental principle to grant a registration which would have the effect of denying them the right to do so by using the name of the State"¹⁰⁵.

89 The fundamental principle to which Kitto J referred was later articulated by Gummow J when he said¹⁰⁶:

"The point is if goods of the kind in question are produced at the particular place or in the area, or if it is reasonable to suppose that such goods in the future will be produced there, other traders have a legitimate interest in using the geographical name to identify their goods, and it is this interest which is not to be supplanted by permitting any one trader to effect trade mark registration".

90 The second decision was that of Gibbs J in *Burger King Corporation v Registrar of Trade Marks*¹⁰⁷, upholding a decision to refuse registration of

103 (1964) 111 CLR 511 at 516.

104 (1964) 111 CLR 511 at 516-517.

105 (1964) 111 CLR 511 at 517.

106 *Chancellor, Masters and Scholars of the University of Oxford (trading as Oxford University Press) v Registrar of Trade Marks* (1990) 24 FCR 1 at 23.

107 (1973) 128 CLR 417; [1973] HCA 15.

"WHOPPER" as a trade mark in respect of goods described as a "hamburger sandwich". Citing *Clark Equipment*, Gibbs J said that "[i]nherent adaptability is something which depends on the nature of the trade mark itself" and which "cannot be changed by use or otherwise"¹⁰⁸. "Whopper", Gibbs J found, was not inherently adapted to distinguish the goods of a particular trader. It was rather a word "which a person selling a hamburger sandwich which he claimed to be larger than that normally sold might use in the ordinary course of business and without any improper motive"¹⁰⁹.

91 The third decision was that of Rogers J in the Supreme Court of New South Wales in *Eutectic Corporation v Registrar of Trade Marks*¹¹⁰, upholding decisions to refuse registration of "Eutectic" in respect of goods (comprising chemical substances, metals and alloys, machines and tools, and electrical apparatus and instruments) for welding, soldering and brazing. "Eutectic" is an English word meaning "melting at low temperature" or "melting readily". It was not in ordinary use by members of the community; most users of the applicant's goods did not know, or had forgotten, its meaning; and there was no evidence of its use by other traders. It was, however, "a basic term used in metallurgy"¹¹¹, peculiarly appropriate to convey readiness to melt as a basic property of an alloy¹¹². Refusing to conclude that "eutectic" was inherently adapted to distinguish the applicant's goods, and citing *Clark Equipment*, Rogers J said that "[w]hilstsoever there remains a need and use for that word by other traders in an honest description of their goods and the word retains its primary and technical meaning, it should remain free in the public domain"¹¹³.

92 The decisions together illustrate that the focus of the test imported by the words "inherently adapted to distinguish", now in s 41 of the Act, is on the extent to which the monopoly granted on registration of a trade mark would foreclose options otherwise available to rival traders acting in the ordinary course of their businesses without any desire to benefit from the applicant's reputation. The monopoly, relevantly, is that now granted to the registered owner of a trade mark by s 20(1) of the Act: the exclusive rights to use the trade mark and to authorise other persons to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. Neither the test nor its application is

108 (1973) 128 CLR 417 at 424.

109 (1973) 128 CLR 417 at 425.

110 (1980) 32 ALR 211.

111 (1980) 32 ALR 211 at 214.

112 (1980) 32 ALR 211 at 219.

113 (1980) 32 ALR 211 at 220.

affected by s 122(1)(b) of the Act, which provides a defence to an action for infringement of the trade mark to a person who uses a sign in good faith to indicate either "the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services" or "the time of production of goods or of the rendering of services". That is made clear by a Note to s 41, which states that "[t]rade marks that are not inherently adapted to distinguish goods or services are *mostly* trade marks that consist wholly of a sign that is ordinarily used to indicate" the precise indications to which s 122(1)(b) refers (emphasis added).

93 None of the three decisions concerned an attempt to register a mark comprising a word shown to have an ordinary meaning in a language other than English. There is no reason, however, why the test should operate differently in relation to a mark of that kind. The parenthetic reference by Kitto J in *Clark Equipment* to a trader acting in the exercise of "the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess" must in that respect be understood in the context of that case, dealing as it did with a foreign place name. Plainly, his Honour's attention was not confined to traders located in Australia. Equally plainly, his Honour's reference to words forming part of the common heritage was not confined to ordinary English words.

94 The three decisions also illustrate that the *F H Faulding* test is not exhausted by an inquiry into the intrinsic capacity of a word or other sign to acquire connotations which would in fact distinguish the goods or services of an applicant for registration from the goods or services of rival traders. *Eutectic Corporation*, in particular, illustrates that the test is not exhausted by an inquiry into how the mark might be expected to be understood in Australia by "ordinary persons" or by actual or potential purchasers of goods or services of the relevant kind. The relevant perspective is, rather, that of another trader, located in Australia or elsewhere, who might desire to use the word or other sign in the ordinary course of its business.

95 To place the *F H Faulding* test in context as applied in those cases, it is necessary to recognise that distinctiveness (of which inherent adaptedness to distinguish was made an element by s 26(2)(a)) was prescribed as one of a number of criteria qualifying a mark for registration as a trade mark under the 1955 Act. Another criterion, stated in s 24(1)(d), was that a mark consisted of "a word not having direct reference to the character or quality of the goods in respect of which registration [was] sought and not being, according to its ordinary meaning, a geographical name or a surname". That other criterion, as then appearing in substantially identical terms in s 16(1)(d) of the 1905 Act, was considered in *Mark Foy's Ltd v Davies Coop & Co Ltd ("Tub Happy")*¹¹⁴. Dixon CJ in *Tub Happy* explained that the test for determining whether or not a

word had direct reference to the character or quality of goods "must lie in the probability of ordinary persons understanding the words, in their application to the goods, as describing or indicating or calling to mind either their nature or some attribute they possess"¹¹⁵.

96 *Tub Happy* was in turn considered in *Registrar of Trade Marks v Muller*¹¹⁶. The Full Court of the High Court there construed s 24(1)(d) of the 1955 Act to "connote that which is distinctive" as an additional requirement for registration¹¹⁷. On that basis, "LESS" was held properly to have been refused registration under s 24(1)(d) as a trade mark in respect of pharmaceutical products for two distinct reasons: first (the Full Court expressly applying the *Tub Happy* test) because it would be understood by the public as a representation about the ingredients or strength of those products¹¹⁸; and secondly (the Full Court accepting a submission which implicitly applied the *F H Faulding* test) because it was not adapted to distinguish the applicant's products¹¹⁹, in that other traders would foreseeably wish to use the word in association with their own products in a perfectly legitimate way¹²⁰.

97 How the *Tub Happy* test might have applied under the 1955 Act to a word shown to have an ordinary meaning in a language other than English does not appear to have arisen for consideration in any Australian court, and need not now be considered. Nor is it necessary to consider the accuracy of a suggestion that judicial application of the same criterion under the 1938 UK Act implicitly adopted principles similar to the United States' "doctrine of foreign equivalents", under which words from common modern languages were translated into English in order to determine whether a mark was disqualified from registration because it was generic or descriptive¹²¹.

98 What is significant for present purposes is that a conclusion, based on the application of the *Tub Happy* test, that a word does not have direct reference to

115 (1956) 95 CLR 190 at 195.

116 (1980) 144 CLR 37; [1980] HCA 35.

117 (1980) 144 CLR 37 at 44, approving *In re Fanfold Ltd's Application* (1928) 45 RPC 199 at 203-204.

118 (1980) 144 CLR 37 at 40-41.

119 (1980) 144 CLR 37 at 41-44.

120 (1980) 144 CLR 37 at 38. See also *Eutectic Corporation v Registrar of Trade Marks* (1980) 32 ALR 211 at 218.

121 Gredley, "Foreign-language Words as Trade Marks", in Dawson and Firth (eds), *Trade Marks Retrospective*, (2000) 85 at 85.

the character or quality of goods or services, is not itself a conclusion that the word is inherently adapted to distinguish the goods or services of the applicant from the goods or services of other persons. In the case of an ordinary English word, the considerations affecting each conclusion will often be similar. In the case of a technical word or a word in another language, other considerations will almost certainly arise.

99 Here the primary judge, citing *F H Faulding*, said¹²²:

"The question to be asked in order to test whether a word is adapted to distinguish one trader's goods from the goods of all others is whether the word is one that other traders are likely, in the ordinary course of their businesses, and without any improper motive, to desire to use upon or in connection with their goods".

Later, citing *Tub Happy*, his Honour said¹²³:

"The test must lie in the probability of ordinary persons understanding the words, in their application to the goods, as describing, indicating or calling to mind either their nature or some attribute they possess".

His Honour was not persuaded "that the Italian language is so widely spread that the conclusion should be drawn that *Cinque Stelle* and *Oro* would be generally understood in Australia" to mean "five stars" and "gold" respectively¹²⁴. His conclusion, expressed in terms of the *Tub Happy* test, was that "the Italian words are not so obvious to ordinary English speaking persons in Australia that *Cinque Stelle* and *Oro* have a specific meaning"¹²⁵.

100 The Full Court held that his Honour erred in equating the *F H Faulding* test with the *Tub Happy* test, and in applying the latter to the exclusion of the

122 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 761 [28].

123 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 774 [107].

124 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 776 [117].

125 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 776 [118].

former¹²⁶. That conclusion was correct. The central contention of the appellant ("Cantarella") in this Court is that the two tests are the same. They are not.

Application

101 The Full Court went on itself to apply the *F H Faulding* test. Foreshadowing the analysis in which it engaged, the Full Court explained¹²⁷:

"There is no necessity to approach the enquiry from an Anglocentric perspective in the Australian context which has rich cultural and ethnic diversities within its population. Adopting the language of Kitto J, to accommodate this reality in the marketplace, one may consider the relevant words against the collective diverse heritage. Viewed in that way, the 'common heritage' here included that of traders in coffee products sourced from Italy. Such traders may well be Italian or local importers. They may be local distributors who have in mind the large Italian speaking population in Australia as well as other Australians who, when it comes to coffee, want something with an Italian look and feel. Much of this country's coffee heritage in its language has its provenance in the Italian language eg caffè latte; cappuccino; affogato; caffè machiatto and espresso. It is evident that pure coffee in Australia is often associated with Italy and Italian coffee products."

102 The Full Court stated its conclusion to be that "other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the *Oro* and *Cinque Stelle* marks, or some mark nearly resembling them, upon or in connection with their own coffee-related goods". That conclusion, the Full Court explained, was based on the cumulative effect of a number of considerations which it went on to enumerate¹²⁸.

103 The first consideration which the Full Court identified as underlying its conclusion was that the words, in Italian, signify quality. Another was that pure coffee in Australia is associated with Italy, with the result that it is obvious to use Italian words to describe the quality of coffee. Another was that the Australian pure coffee market includes imported coffee products that are roasted and packaged in Italy and sold in Australia. Another was that there are many Italian speakers in Australia. Indeed, the 2001 census revealed that Italian was then the second most spoken language in Australia, spoken at home by more than 350,000

¹²⁶ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 24 [44]-[49].

¹²⁷ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 31 [85].

¹²⁸ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 32 [91].

people. Another was that Cantarella itself used the words according to their ordinary significance to describe its highest quality coffee blends¹²⁹.

104 "Finally, and most importantly", said the Full Court, "other coffee traders" had used *Oro* and *Cinque Stelle* before Cantarella applied to have them registered as trade marks on 24 March 2000 and on 6 June 2001 respectively. The findings of the primary judge, it said, supported the conclusion that "these Italian words were known in the coffee trade according to their ordinary signification as words descriptive of the quality of the coffee products and have been used in that sense, although not as trade marks, for a significant period of time extending well before Cantarella's registration of its marks and afterwards". The fact that other coffee traders had so used the words in the past was an indication that other coffee traders might wish to make similar use of the words in the future¹³⁰.

105 Having found that *Oro* and *Cinque Stelle* were not inherently adapted to distinguish the goods of one coffee trader from the goods of another, the Full Court went on to find that the use of those words by Cantarella was not use as a trade mark¹³¹.

106 Cantarella's challenge to the conclusion of the Full Court is not limited to challenging the correctness of the test applied by the Full Court.

107 Cantarella criticises the Full Court for giving consideration to Cantarella's own post-registration use of its trade marks. There is no force in that criticism. The primary judge found that Cantarella's own use of *Oro* and *Cinque Stelle* was almost invariably in conjunction with its trade mark *Vittoria* to describe its highest quality coffee blends¹³². The Full Court's only point was that use of *Oro* and *Cinque Stelle* in that manner was in accordance with the ordinary signification of those words in Italian.

108 Cantarella also calls into question the evidentiary basis for what the Full Court described as the most important consideration on which it relied: that before Cantarella's applications for registration other coffee traders had used *Oro* and *Cinque Stelle*, not as trade marks, but as words descriptive of the quality of the coffee products. There is force in some of Cantarella's criticisms. The Full Court referred to Cantarella's own application for trade mark registration of the

129 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 32 [92]-[96].

130 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 32 [97].

131 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 33 [105].

132 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 778 [129].

words *Medaglia D'oro* in 1996, and to the earlier registration by the Italian company Luigi Lavazza SpA in 1979 of a composite trade mark which included the words *Qualità Oro* subject to an endorsement on the register which stated that registration "shall give no right to the exclusive use of the Italian words 'QUALITA ORO', which may be translated into English as 'GOLD QUALITY'"¹³³. Cantarella points out that both were different marks and that evidence of trade mark registration, or of the making of an application for registration, is not evidence of use. The Full Court also referred in that respect to a website for Lavazza coffee, which describes *Qualità Oro* as "the iconic product that made Lavazza famous worldwide" and states that *Qualità Oro* was first imported into Australia in 1955¹³⁴. Cantarella points out that the website was not admitted in evidence at trial to prove the truth of that fact. But these are points of detail.

109 The structure of the Full Court's reasons for judgment shows that it relied for what it described as the most important consideration principally on findings made by the primary judge about the conduct of Molinari and of various Australian distributors of coffee products exported to Australia by Molinari¹³⁵. Those findings were that Molinari had produced *Caffè Molinari Oro* in Italy continuously since 1965 and had introduced *Caffè Molinari Cinque Stelle* as its premium blend in 1997. Molinari began exporting from Italy in 1994 and began exporting to Australia in 1996. Australian distributors of Molinari's coffee products began distributing *Caffè Molinari Oro* in December 1999 and had done so since then. Australian distributors of Molinari's coffee products began distributing *Caffè Molinari Cinque Stelle* in May 2000, and had done so since then. The results of a search of the trade marks register conducted in 2011 for trade marks or pending applications which included *Oro* and *Cinque Stelle* were in evidence before the primary judge. That evidence made no reference to either *Caffè Molinari Oro* or *Caffè Molinari Cinque Stelle*.

110 Cantarella points out that the primary judge made no findings as to the form of packaging of Molinari products or as to the nature of any use of *Caffè Molinari Oro* or *Caffè Molinari Cinque Stelle* by Molinari or its Australian distributors before 2009. That is so. But it takes no imagination to infer, as the Full Court implicitly did, that Italian words were used by an Italian company in Italy in accordance with their Italian signification, and that *Caffè Molinari Oro* (relevantly between December 1999 and March 2000) and *Caffè Molinari Cinque Stelle* (relevantly between May 2000 and June 2001) were exported from Italy and distributed in Australia in packaging which bore those words.

¹³³ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 33 [100].

¹³⁴ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 33 [99].

¹³⁵ *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 20-21 [18]-[26], 32 [98].

111 The significance which the Full Court attached to that prior use by Molinari and its Australian distributors is also to be evaluated in the light of the primary judge's findings of contemporary use in Australia to which the Full Court also referred¹³⁶. Those findings were that, as at 2011, dozens of coffee distributors in Australia used *Oro* or *D'oro* to denote products within their ranges or to denote their house brands¹³⁷. The findings were also that there was use at that time by a number of coffee distributors of *5 Stelle* and *Five Star*¹³⁸, and that hundreds of Australian businesses have *Five Star* in their names¹³⁹.

112 *Gold* and *Five Star* are ordinary English words. Used in respect of goods or services, they signify quality. They always have. No authority is necessary to establish that, used alone, they are not inherently adapted to distinguish goods or services of one person from goods or services of another. They are words which any person in the ordinary course of business might legitimately seek to use.

113 The Full Court's conclusion was that the Italian equivalents of those words were not, on 24 March 2000 and on 6 June 2001 respectively, inherently adapted to distinguish the goods of one person from the goods of another when applied in Australia to goods of a kind commonly associated with Italy, often enough imported from Italy and often enough sold to Italian speakers. That conclusion, and the analysis of the Full Court which led to it, are, in my view, sound.

136 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16 at 22-23 [34]-[42].

137 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 777 [125].

138 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 773 [100].

139 *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2013) 299 ALR 752 at 771 [90].