

Registrar Of Trade Marks v Woolworths [1999] FCA 1020

FEDERAL COURT OF AUSTRALIA

FRENCH, BRANSON AND TAMBERLIN JJ

FRENCH J:

Introduction

1 On 17 April 1998 a delegate of the Registrar of Trade Marks refused to accept an application by Woolworths Limited for the registration of a trade mark in respect of retailing and wholesaling services. The trade mark comprised the words “WOOLWORTHS metro” on a background of wavy lines. The application was refused on the ground that the proposed mark was deceptively similar to other registered marks consisting of the word “metro” and registered in respect of a variety of goods. The mark was also said to be deceptively similar to another mark for which application had been made and which had priority in respect of distribution services.

2 Woolworths appealed to a Judge of this Court, Wilcox J, and the appeal was allowed. The Registrar now appeals against the decision of Wilcox J. The refusal of registration and the subsequent appeals have been brought under the *Trade Marks Act 1995*. The appeal raises issues about the way in which applications for registration are to be dealt with under the new law prior to acceptance. In this regard there has been an important change in the law in that the onus is no longer, as it used to be, on an applicant to establish registrability of the proposed mark. The appeal also raises a question about how the test of deceptive similarity is to be applied as between a proposed mark in respect of services and other marks in respect of goods. There is an associated question whether the goods in respect of which existing marks have been registered are “closely related” to the services covered by the proposed mark. The approach of the learned primary judge to the question of consumer confusion over deceptively similar marks has also been raised. Apart from the question of deceptive similarity which lies at the core of these proceedings, the appeal throws up some important questions about the operation of the new law and its impact upon processes by which applications for the registration of trade marks are considered for acceptance.

Factual Background

3 On 23 October 1995 Woolworths Limited made application under the *Trade Marks Act 1955* for registration of a trade mark. The subject of the application was a composite mark in the words “WOOLWORTHS metro” on a background of flag like wavy lines. The word “Woolworths” was printed in block lettering above the word “metro” which appears in a larger cursive lower case script. Each letter of “metro” and a full stop following it is outlined but shaded on the left hand side.

4 The application sought registration of the trade mark in Part A of the Register of Trade Marks in respect of:

“[r]etailing and wholesaling services in the nature of supermarkets, department stores, variety stores, boutiques, specialty products stores, liquor outlets and discount stores”

being services included in class number 42. Class number 42 appeared in Part II of Schedule 4 to the *Trade Mark Regulations 1955* which set out classes of services in respect of which registration could be obtained. Class 42 was:

“Miscellaneous services, being services other than those included in a class referred to in another item of this Part.”

None of the other classes of services were relevant for the purposes of this application.

5 The *Trade Marks Act 1955* was repealed by s 232 of the *Trade Marks Act 1995*. That Act came into operation on 1 January 1996. The Woolworths’ application had not been examined at that time and so attracted the application of s 241 of the new statute which applied to applications for the registration of trade marks in Part A or B of the old Register pending immediately before 1 January 1996. The application, not having been accepted immediately before 1 January 1996 and by virtue of s 241(3), fell to be dealt with in accordance with the 1995 Act.

6 On 17 April 1998 a delegate of the Registrar of Trade Marks refused the application for registration. Registration was refused under s 44(2) of the *Trade Marks Act 1995* on two bases. The first was that the proposed mark was deceptively similar to thirteen registered trade marks using the name “Metro” alone in respect of goods, the goods being closely related to the services in respect of which registration was being sought.

7 The second ground for rejection of the application was the existence of a pending service trade mark in class 42 for the word “metro” displayed in normal upper case type script. The statement of services for that mark at acceptance read “distribution of the following goods...” after which appeared a list of goods from almost all goods classes. The Registrar found that a distributorship would be wide enough to include wholesaling services. The application under examination directly specified wholesaling services as part of the statement of services and he believed that to be a service similar to the pre-existing mark.

8 An appeal against the Registrar’s decision was heard by Wilcox J on 4 September 1998 and judgment given allowing the appeal on 9 October 1998.

9 His Honour directed that the order of the delegate of the Registrar of Trade Marks rejecting the Woolworths’ application for registration of the composite mark be set aside. His Honour ordered that in lieu of the Registrar’s order, the mark proceed to registration.

10 On 9 December 1998 Burchett J granted leave to appeal to the Full Court against his Honour’s decision pursuant to s 195(2) of the *Trade Marks Act 1995*.

Statutory Framework – *Trade Marks Act 1995* in Context

11 It is convenient, before turning to his Honour’s reasons, to set out the relevant statutory provisions and in doing so to refer to their legislative ancestry.

12 The first Commonwealth trade marks legislation was the *Trade Marks Act 1905* modelled for the most part on the *Trade Marks Act 1905* (UK). The United Kingdom statutory history commenced with the *Merchandise Marks Act 1862* albeit it did not provide for a system of registration. A registration system was introduced by the *Trade Marks Registration Act 1875*. That was replaced by the *Patents, Designs and Trade Marks Act 1883* (UK) which in turn was supplanted by the 1905 statute. The latter was amended by the *Trade Marks Act 1919* (UK) and the *Trade Marks (Amendment) Act 1936* (UK). These were superseded by the *Trade Marks Act 1938* (UK), a consolidating statute. The 1938 Act was amended in 1984 to provide for registration of service marks, a reform recommended ten years earlier by the 1974 report of the Mathys Committee to Examine British Trade Mark Law and Practice – Cmnd 5601.

13 The *Trade Marks Act 1938* (UK) was repealed and replaced by the *Trade Marks Act 1994* (UK) giving effect to the White Paper entitled Reform of Trade Mark Law (Cmnd 1203) and implementing EEC Council Directive 89/104 to approximate the laws of member States relating to trade marks – *Halsburys Statutes*, 4th Edition, Vol 48 p 3 et ff.

14 Judicial supervision of the registration process was provided for in the 1875 UK Act (s 5). The 1883 UK Act authorised an official called the “Comptroller” to receive applications for registration (s 62), to advertise them (s 68) and to decide, after any opposition, whether the trade mark was to be registered (s 69). Although the notion of “acceptance” of an application was not explicitly provided for by that Act it was open to the Comptroller to refuse to entertain an application before advertisement was undertaken (s 68). In this the Comptroller was subject to appeal to the Board of Trade which could refer the appeal to the Court of Appeal. The 1905 UK Act provided for the basic administrative sequence, more or less replicated in subsequent UK and Australian Acts. That sequence involved the making of an application (s 12(1)), acceptance or refusal of registration (s 12(2)), appeal (s 12(3)), advertisement (s 13), opposition (s 14) and registration or rejection thereafter. The latter decision was also subject to appeal. Under the UK Acts a refusal to accept or entertain an application could be upset on appeal and the application accepted but nevertheless rejected after later opposition proceedings – *Orr-Ewing v Registrar* (1879) 4 App Cas 479, cited in Kerly, *Law of Trade Marks and Trade Names* 12th Edition, Sweet & Maxwell 4-40 fn 14. The position is the same in Australia. The onus of establishing registrability was upon the applicant.

15 The *Trade Marks Act 1955* (Cwth) was enacted following a major review of trade marks legislation in Australia by a committee chaired by Dean J of the Supreme Court of Victoria. The committee’s report was presented in 1954. The 1955 Act provided, like the *Trade Marks Act 1938* (UK), for the sequence of application (s 40), acceptance or rejection by the Registrar (s 44), appeals from refusals or conditional acceptances by the Registrar (s 46), advertisement after acceptance (s 47), opposition proceedings if any (Pt VI) and registration (s 53). Under s 44 of the Act the Registrar was obliged to accept an application if “satisfied that there is no lawful ground of objection” to it or that the ground of objection to it had been removed. The onus of demonstrating the absence of any ground of objection lay upon the applicant. A number of such grounds were set out in s 28 which provided, inter

alia, that registration would be refused to a mark “the use of which would be likely to deceive or cause confusion”.

16 An appeal under the 1955 Act from a refusal by the Registrar to accept an application or from a conditional acceptance lay initially to a single Justice of the High Court as the Appeal Tribunal (ss 46 and 111) and, after 1976, to a Judge of the Federal Court. The power of the High Court on hearing an appeal included powers to admit further evidence, examine and cross-examine witnesses and to affirm, reverse or modify the decision (s 114). The position under the Australian statutes contrasted in this respect with that under the *Trade Marks Act 1938* (UK) which required appeals against refusal to accept an application to be decided upon the materials before the Registrar (*Trade Marks Act 1938* (UK) ss 17(4) and (6)). Appeals to the Full Court of the High Court from a single Justice of the High Court sitting as Appeal Tribunal were by leave (s 116). The same model applied when the jurisdiction was vested in the Federal Court.

17 Prior to 1978 Australian trade marks law made no provision for the registration of trade marks in respect of services. In this respect it was well behind many other countries including the USA which had enacted the *Lanham Trade Mark Act 1946* to cover such marks. The *Trade Marks Amendment Act 1978* amended the 1955 Act to provide for the registration of service marks. According to the Second Reading Speech that change responded, inter alia, to a perception that “the provision of business and professional services...constitutes an important segment of modern commerce and the individual businesses engaged in such services have the same needs as other businesses in identifying and distinguishing their services” – H of R Deb 24/8/78 p 719. Reference was also made in the Second Reading Speech to the Mathys Committee Report which foreshadowed the change that was not to come until 1984 in Great Britain.

18 Reference was made in the Second Reading Speech to the possibility of conflicting trade marks as follows:

“The Bill also recognises the corresponding potential for conflict between substantially identical or deceptively similar marks used by different proprietors in relation to services or services and goods as is recognised in the present Act in respect of trade marks used in relation to goods. The Bill avoids such conflict by extending the present prohibition against the registration of substantially identical or deceptively similar trade marks in respect of goods to services and introducing a prohibition against the

registration of such marks in respect of goods and closely related services, and vice versa.” H of R Deb 24/8/78 p 720

This was reflected in the amended s 33, subsections (1) and (2) of which were similar although not identical in their terms to subsections (1) and (2) of s 44 of the 1995 Act. Subsection 33(2) provided that a service mark was not capable of registration if:

“...substantially identical with or deceptively similar to a trade mark which is registered, or is the subject of an application for registration, by another person in respect of the same services, of services of the same description as those services, or of goods that are closely related to those services, unless the date of registration of the first-mentioned trade mark is, or will be, earlier than the date of registration of the second-mentioned trade mark.”

Section 6(3) defined “deceptively similar” thus:

“For the purposes of this Act, a trade mark shall be deemed to be deceptively similar to another trade mark if it so nearly resembles that other trade mark as to be likely to deceive or cause confusion.”

The term “goods that are closely related to those services” was not defined. It was an expression which had been used by the Mathys Committee to describe the degree of connection between services and between goods and services which would “lead to conflict” – *Mathys Committee Report*, Cmnd 5601 at pars 68 and 70; Smith, *The Trade Marks Amendment Act 1978* (1979) 53 ALJ 118 at 119-120. Interestingly the 1984 amendment to the *Trade Marks Act 1938* (UK) did not itself pick up this expression. A service mark could not be registered under the 1984 amendment if it were identical with or nearly resembled a mark belonging to a different proprietor and already on the register “in respect of the same services, the same description of services, or goods or description of goods which are *associated with* those services or services of that description” (*Trade Marks Act 1938* s 12). The concept of “associated with” refers to the case in which it is likely that “those goods might be sold or otherwise traded in and those services might be provided by the same business, and so with descriptions of goods and descriptions of services” (*Trade Marks Act 1938* s 68(2A)).

19 The 1955 Act was repealed and replaced by the *Trade Marks Act 1995* (Cwth) which applies to the present case. It also repealed the *Trade Marks Act 1994* (Cwth) which had

been enacted to comply with Australia's international treaty commitments but had not come into force when the 1995 Act was passed.

20 The Act gives effect to Australia's obligations under the World Trade Organisation Agreement and the World Intellectual Property Organisation (WIPO) Trade Mark Law Treaty (TLT). It also implements the government's response to the report entitled *Recommended Changes to the Australian Trade Marks Legislation* presented in July 1992 by the Working Party to Review Trade Marks Legislation, established by the former Minister for Science Customs and Small Business in 1989. The Act was said in the Second Reading Speech to be "...an evolution from, rather than a revolutionary change of, the 1955 Act". Its objectives were described as identification and protection of a business' products and protection of the consumer (H of R Deb. 27/9/95 pp 1909-1911). Relevantly for present purposes, it was said that:

"The bill is expressed in terms that make it clear that there is to be a presumption of registrability when an application for registration is being examined by the Registrar of Trade Marks. This means that, if there is any doubt about whether a trade mark should be registered, that doubt will be resolved in favour of the applicant rather than against the applicant as is now the case."

21 The 1995 Act defines "trade mark" in s 17 as follows:

*"17. A **trade mark** is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person."*

Trade marks may be registered in respect of goods or services or both (s 19(1)) and in respect of goods or services of more than one class (s 19(2)). There is no separate definition of "mark" as in the 1955 Act. "Sign" however is defined in s 6 thus:

*"**sign** includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent."*

These definitions are broader than those used in the 1955 Act which also focussed upon the requirement that the trade mark indicate a connection in the course of trade between the goods or services and the person who has the right to use the mark (s 6 *Trade Marks Act*

1955). They reflect recommendations 1A and 1B in the 1992 Report of the Working Party. They were seen by the Working Party as following the United Kingdom and European community examples and complying with the principles of the agreement in respect of trade related aspects of intellectual property rights (TRIPS) which was associated with the Uruguay Round of the General Agreement on Tariffs and Trade.

22 The rights which attach to registration are exclusive rights to use the trade mark and to authorise other persons to use it in relation to the goods and/or services in respect of which it is registered (s 20(1)). There is an ancillary right to obtain relief for infringement (s 20(2)). Registration of a trade mark may be subject to conditions or limitations which restrict the rights of the registered owner (s 20(4)).

23 Application for registration is made under s 27 and following publication of particulars of the application in accordance with the regulations (s 30) the Registrar must examine and report on whether the application has been made in accordance with the Act and whether there are grounds under Division 2 for rejecting it (s 31). The acceptance or rejection of an application is provided for in s 33:

“33(1) The Registrar must, after the examination, accept the application unless he or she is satisfied that:

(a) the application has not been made in accordance with this Act; or

(b) there are grounds for rejecting it.

(2) The Registrar may accept the application subject to conditions or limitations.

(3) If the Registrar is satisfied that:

(a) the application has not been made in accordance with this Act; or

(b) there are grounds for rejecting it;

the Registrar must reject the application.

(4) The Registrar may not reject an application without giving the applicant an opportunity of being heard.”

24 The mandatory language of s 33 gives effect to the intention, expressed in the Second Reading Speech, that there is to be a presumption of registrability when the application is

examined by the Registrar of Trade Marks. This is a shift from the position under the previous law whereby the onus was on the applicant to establish registrability – *Jafferjee v Scarlett* (1937) 57 CLR 115 at 119 and 126. In respect of the 1955 Act see *Advanced Hair Studio of America Pty Ltd v Registrar of Trade Marks* (1988) 10 IPR 583 at 587 (King J). This shift reflects recommendation 4A of the Working Party’s 1992 Report that “[t]he legislation should be expressed in terms which make it clear that there is to be a presumption of registrability when examining an application for registration”. It brings the Australian law into line with the approach taken internationally as expressed in the European Communities’ Directive on Trade Mark Laws (December 1988), the TRIPS agreement and developments in the United Kingdom and New Zealand.

25 Grounds for rejection of an application are to be found in Division 2 of the Act. For present purposes the relevant provision of Division 2 is s 44 and, in particular, s 44(2) which concerns the registration of trade marks in respect of services:

*“44(2) Subject to subsections (3) and (4), an application for the registration of a trade mark (**applicant’s trade mark**) in respect of services (**applicant’s services**) must be rejected if:*

- (a) it is substantially identical with, or deceptively similar to:*
 - (i) a trade mark registered by another person in respect of similar services or closely related goods; or*
 - (ii) a trade mark whose registration in respect of similar services or closely related goods is being sought by another person; and*
- (b) the priority date for the registration of the applicant’s trade mark in respect of the applicant’s services is not earlier than the priority date for the registration of the other trade mark in respect of the similar services or closely related goods.”*

Subsections (3) and (4) of section 44 are not relevant for present purposes. For the purposes of the Act a trade mark is taken to be deceptively similar to another trade mark “if it so nearly resembles that other trade mark that it is likely to deceive or to cause confusion” (s 10). Section 44(2) concerns, inter alia, deceptive similarity between trade marks registered in respect of “similar services” or “closely related goods”. Regulations may be made under s 19(3) which provide for the classes into which goods and services are to be divided for the purposes of the Act. Regulation 3.1 of the *Trade Marks Regulations 1995* identifies those

classes by reference to Part 1 of Schedule 1 (Goods) and Part 2 of Schedule 1 (Services). The classes of goods set out in Part 1 of Schedule 1 appear to be identical to those existing under the *Trade Marks Regulations 1958* in Part 1 of Schedule 4 to those Regulations. The classes of services set out in Part 2 of the respective Schedules have been more elaborately expressed under the new Regulations. There is no specific item for retail sales which would no doubt fall into the “services that cannot be placed in other classes” which is part of Item 42 in Part 2 of Schedule 1 under the 1995 Regulations. The grounds for non-acceptance of an application to be found in Division 2 of Part 4 of the Act substantially reflect grounds for non-acceptance set out in recommendation 6A of the 1992 Working Party Report. It was said in the Report:

“These grounds have been formulated with the aim of excluding matters which are considered inappropriate for a bureaucracy to determine, such as matters of morality or fraud, and with general principles in mind that it should be procedurally straightforward to obtain registration of a trade mark, and procedurally straightforward to have one removed from the Register. This aim can be achieved, at least in part, by defining clearly the grounds on which an application may be denied registration, as well as those whereby the registration may be rectified or removed.” (p 44)

26 The Registrar is required to notify the applicant in writing of his or her decision under s 34(a) and to advertise the decision in the Official Journal (s 34(b)). Section 35 provides for an appeal in the following terms:

“35. The applicant may appeal to the Federal Court against a decision of the Registrar:

- (a) to accept the application subject to conditions or limitations; or*
- (b) to reject the application.”*

27 The Federal Court has jurisdiction with respect to matters arising under the *Trade Marks Act 1995* (s 191) as it did after 1976 under the 1955 Act. Its jurisdiction to hear and determine appeals against decisions, directions or orders of the Registrar is exclusive of the jurisdiction of any other court except that of the High Court under s 75 of the Constitution (s 191(2)). The Federal Court and the Supreme Courts of the States and Territories are prescribed courts for the purposes of the Act (s 190). The jurisdiction of a prescribed court under s 191 or 192 (not relevant for present purposes) is to be exercised by a single judge (s 193). Section 195(2) is relevant for present purposes:

“195(2) Except with the leave of the Federal Court, an appeal does not lie to the Full Court of the Federal Court against a judgment or order of a single judge of the Federal Court in the exercise of its jurisdiction to hear and determine appeals from decisions or directions of the Registrar.”

This reflects the previous position under the 1955 Act and is ultimately derived from the original provisions of that Act under which an appeal from a single Justice of the High Court sitting as the Appeal Tribunal lay by leave to the Full Court. The Registrar is entitled to appear and to be heard at the hearing of an appeal to the Federal Court against a decision or direction of the Registrar (s 196). The Court is entitled, on hearing an appeal against a decision or direction of the Registrar, to admit further evidence, to permit examination and cross-examination of witnesses, to order issues of fact to be tried as it directs, to affirm, reverse or vary the Registrar’s decision or direction and to give any judgment or make any order that in all the circumstances it thinks fit. The Court may also order a party to pay costs to another party (s 197).

28 Following acceptance of an application for registration of a trade mark there is provision for opposition to registration by third parties. This is dealt with in Part 5 of the Act and it is unnecessary to refer to those provisions in greater detail here. Part 6 provides for amendment of applications and Part 7 for registration of trade marks. As with its British and Australian statutory ancestors, the 1995 Act provides that registration follows upon acceptance where there has been no opposition or where, if there has been opposition, the Registrar’s decision or a decision on appeal from the Registrar is that the trade mark should be registered. Otherwise the application for the registration of the trade mark lapses (s 68). The present case is one in which the application did not proceed to acceptance because it was rejected prior to that point.

The Primary Judge’s Reasons for Judgment

29 His Honour identified as conceptually distinct the questions whether marks are deceptively similar and whether one mark is used in respect of services closely related to particular goods or similar to other particular services. The closer the relationship between the services and particular goods, the more likely any similarity in marks would prove deceptive. He accepted a connection between the services in respect of which Woolworths sought registration of its mark and goods that might be sold under one or other of the thirteen cited marks relied upon for the rejection decision. Most of the goods to which those marks

related were of a type that could be stocked in a wholesale or retail store. However his Honour did not think the mere fact that an item branded with the word “metro” was displayed in a Woolworths Metro store would cause a shopper to believe in a common origin. For that to occur, there would need to be some similarity in styling or getup. It was not enough in the case to note the word “metro” in the cited marks. It was necessary to return to the critical question posed by s 44(2), namely whether Woolworths’ mark considered as a whole was deceptively similar to a mark consisting merely of the word “metro” or “metro 22” printed in block letters or cursive writing in a rectangular box. His Honour placed weight upon the distinguishing feature of the incorporation of the word “Woolworths” in the proposed trade mark. It was a strong visual element of the mark, at least as strong as the word “metro”. Indeed as a word familiar to all Australians it was inherently likely to be noted and remembered. As a word unique to the mark in contention and not used in the cited marks, it constituted a major feature of it. Applying the test in *Australian Woollen Mills Ltd v F.S. Walton & Company Ltd* (1937) 58 CLR 641 at 658, the impression or recollection of the subject mark which a viewer would carry away and retain was quite different from that which he or she would retain in respect of any of the cited marks. In his Honour’s view, Woolworths’ mark did not so nearly resemble any of the cited marks so as to be likely to deceive or cause confusion.

30 As against the fourteenth cited mark which related to services, his Honour accepted that there was likely to be some similarity between the services in respect of which registration was sought for that mark and the services offered under the Woolworths’ mark. Given that the name would not be displayed on goods the aural impression might be more important than the manner of visual presentation. However it was only possible to say the oral use of the term “Woolworths metro” was deceptively similar to “metro” if one ignored or discounted the word “Woolworths”. His Honour considered that the Registrar’s delegate gave undue weight to the fact that the subject mark contained a word that constituted the whole or virtually the whole of each of the cited marks. It was too narrow an approach to consider, as the delegate had, that if there were a substantial connection between the services covered by the Woolworths’ mark and the goods or services offered or proposed in respect of the cited marks that would necessarily cause confusion. His Honour concluded:

“It is necessary to look beyond the coincidence of the word “metro” and consider the marks themselves, the dissimilarities as well as the similarity. When this is done, it seems to me impossible to conclude that Woolworths’

mark is deceptively similar to any of the cited marks.”

Grounds of Appeal

31 The grounds of appeal were as follows:

- “1. *The primary judge erred in holding that the mark the subject of trade mark application 675,941 (the “**subject mark**”) does not so nearly resemble any one or more of the 14 trade marks cited by the Delegate of the Registrar of Trade Marks in his decision given 17 April 1998 (rejecting the respondent’s application for registration of the subject mark) (the “**cited marks**”) as to be likely to deceive or cause confusion within the meaning of sub-section 44(2) of the Trade Marks Act 1995.*
2. *The primary judge erred in comparing the subject mark with each of the cited marks by applying an incorrect test, namely whether the subject mark, considered as a whole, was deceptively similar to “a mark consisting merely of the word “metro” (or “metro 22”) printed in block letters or cursive writing in a rectangular box”.*
3. *In comparing the subject mark with each of the cited marks the primary judge erred in failing to have regard to the manner in which each of the cited marks could have been used normally and fairly on the goods or services in respect of which each such mark was registered or applied for (as the case might be).*
4. *The primary judge erred in comparing the subject mark with each of the cited marks by failing to consider, in each case, whether acquirers of the goods or services in respect of which the cited marks and the subject mark were registered or proposed to be registered (as the case might be) might be caused to wonder whether it might not be the case that the goods and services came from the same source.*
5. *The primary judge erred in comparing the subject mark with each of the cited marks by giving undue emphasis, in each case, to the word “WOOLWORTHS” in the subject mark.*
6. *The primary judge erred in comparing the subject mark with each of the cited marks by failing to give proper emphasis, in each case, to the word “METRO” in the subject mark.”*

The Nature of the Appeal

32 The jurisdiction conferred upon this Court to entertain an appeal from the Registrar is of the same character as that formerly conferred upon the High Court under s 45 of the *Trade Marks Act 1905* and s 51 of the *Trade Marks Act 1955*. Being an “appeal” from an administrative decision it is an exercise of the original jurisdiction of the Court – *Jafferjee v Scarlett* (supra). Dixon J said of the jurisdiction of the High Court in that case at 126:

“...the nature of the jurisdiction under sec 76 of the Constitution and the terms of the sub-section alike show that the court is to determine judicially whether the application should succeed on the merits, and not whether an administrative officer has lawfully discharged his duties. Of course weight will be given to the registrar’s opinion as that of a skilled and experienced person.”

The subsection referred to was subs 44(2) *Trade Marks Act 1905* which provided that on appeal the Court was to “hear the applicant and the opponent, and determine whether the application ought to be refused or ought to be granted with or without any modification or conditions”. The approach adopted in *Jafferjee v Scartlett* (supra) was reiterated in the joint judgment of Dixon CJ, Williams and Kitto JJ in *Eclipse Sleep Products Inc v Registrar of Trade Marks* (1957) 99 CLR 300 at 308. Again in that case the court which was exercising, albeit with three justices, its original jurisdiction on appeal from the Registrar under the 1905 Act, said that:

“...due weight will of course be given to the opinion of the Deputy Registrar as that of a skilled and experienced person.” (at 308)

In respect of the 1955 Act see also *Rowntree plc v Rollbits Pty Ltd* (1988) 10 IPR 539 and the comment by Needham J that while giving due weight and respect to the decision of the Registrar as an experienced and skilled person “..the court must approach the matters afresh and without undue concern as to the ratio decidendi of the Registrar” (545).

33 If there were any doubt the provisions of s 197 and its statutory antecedents authorising the Court to receive evidence and to examine and cross-examine witnesses inter alia, make plain that in exercising its jurisdiction on appeal from the Registrar, it is to determine the question of acceptance of the application on its merits. In *Blount Inc v Registrar of Trade Marks* (1998) 40 IPR 498 Branson J, while noting that neither the 1955 nor the 1995 Acts contain an equivalent to s 44(2) of the 1905 Act, said:

“Section 197 of the Act, like s 115A of the 1955 Act, discloses, in my view, a clear intention that the established practice of an appeal of this kind being conducted as a rehearing is to be maintained.” (506)

There is therefore no presumption in favour of the correctness of the Registrar’s decision save that weight will be given to the Registrar’s opinion as that of a skilled and experienced person. But the Court on appeal from the Registrar must, in determining the question of acceptance of the application, apply to it the same legal criteria that the Registrar is required to adopt. That is to say the application must be accepted unless the Court is satisfied that it

has not been made in accordance with the Act or that there are grounds for rejecting it. If the matter is left in doubt, then the application should be accepted. That is consistent with the possibility, adverted to earlier, that after a contested opposition registration may eventually be refused. Weight can be given to the Registrar's opinion without compromising the duty of the Court to construe the relevant legal criteria. When the proper principles are applied to the manner in which a judgment is to be made about an issue such as "deceptive similarity" there is room for a degree of deference to the evaluative judgment actually made by the Registrar. That does not mean the Court is bound to accept the Registrar's factual judgment. Rather it can be treated as a factor relevant to the Court's own evaluation.

34 The mandatory language of s 33 and the legislative policy which informs it also suggest that the acceptance stage is not the time for the kind of detailed adversarial examination of the application that might emerge from a contested opposition. This will have an impact upon the way in which the Registrar approaches the question whether a mark proposed for registration is deceptively similar to others. The condition of refusal of an application is that the Registrar is satisfied that there are grounds for rejection. If not so satisfied the Registrar must accept the application. Unless the Registrar thinks that the proposed trade mark is likely to deceive or to cause confusion then all other things being equal, the application must be accepted. Subject to such weight as it gives the Registrar's decision, the Court is placed in the same position in its approach to evaluation of deceptive similarity. This issue of the interaction between the judgment about deceptive similarity and the stage in the process at which this judgment is made will be considered further below.

35 Section 195(2) imposes a leave requirement as a precondition of any appeal to the Full Court from a judgment or order of a single judge in respect of a decision or direction of the Registrar. That is not limited to decisions which involve rejection of an application at the acceptance stage. The leave requirement does mean that an appeal to the Full Court will not be permitted as of course without consideration of the nature and circumstances of the particular case – *Ex parte Bucknell* (1930) 56 CLR 221 at 224. It was a relevant circumstance here that leave to appeal was sought by the Registrar in respect of an appeal from his decision at the acceptance stage. Given the preliminary screening nature of the acceptance process and the presumption of registrability, it can be said that in the ordinary course weighty reasons should be advanced to justify the grant of leave to appeal if a Judge at first instance has directed the application proceed to acceptance.

Deceptively Similar Service Marks

36 Section 44(2) sets out criteria for rejection of registration of trade marks in respect of services. The subsection mandates rejection if the proposed mark is “substantially identical or deceptively similar to” trade marks in respect of “similar services or closely related goods” which are registered or have priority for registration. In this case the question is whether the proposed service mark is deceptively similar to thirteen trade marks registered or with priority in respect of “closely related goods” and one trade mark with respect to services which is the subject of a pending application with priority.

37 The concept of “closely related goods” in respect of a service mark was introduced into the 1955 Act by the 1978 amendment. It was not defined in the 1955 Act nor is it defined in the 1995 Act. It is also used in subs 44(1) to prevent registration of a trade mark in respect of goods which is substantially identical with or deceptively similar to a registered or priority trade mark in respect of “similar goods or closely related services”. The term “closely related” recognises that goods and services are different things. There will be classes of goods which are similar to each other. There will also be classes of services which are similar to each other. But the word “similar” does not apply as between goods and services. So there must be some other form of relationship between the services covered by one mark and the goods covered by another to enable the goods or services in question to be described as “closely related”. As its use in the Mathys Committee Report indicated however, it is a term of wider import than “similar” and can apply to the relationships between competing services as well as between goods and services – Cmnd 5601 par 70.

38 The range of relationships between goods and services which may support the designation “closely related” will be limited by the requirement in s 44(2) that there be a substantial identity or deceptive similarity between the potentially conflicting trade marks which attach to them. The relationships may, and perhaps in most cases will, be defined by the function of the service with respect to the goods. Services which provide for the installation, operation, maintenance or repair of goods are likely to be treated as closely related to them. Television repair services in this sense are closely related to television sets as a class of goods. A trade mark used by a television repair service which resembles (to use the language of s 10) the trade mark used on a prominent brand of television sets could be deceptively similar for suggesting an association between the provider of the service and the

manufacturer of the sets. Similar examples were suggested in *Caterpillar Loader Hire (Holdings) v Caterpillar Tractor Co* (1983) 48 ALR 511 by Lockhart J who saw service marks as potentially giving rise to problems of confusion with goods marks and other service marks "...of greater difficulty and subtlety than has previously been experienced in the case of goods marks alone". His Honour observed that:

"Confusion is more likely to arise where services protected by service marks necessarily involve the use or sale of goods or where services (for example, consultancy services) involve goods but can be provided either with or without the sale or promotion of goods." (at 522)

39 In *Rowntree plc v Rollbits Pty Ltd* (supra) registration was sought for a trade mark in respect of foods which included biscuits, cakes and pastry goods. The same applicant also sought registration of a service mark with respect to services rendered or associated with restaurants, take-a-way food stores and other retail food outlets which sell and promote prepared food and drinks for consumption. Both applications were accepted but opposed. On appeal by the opponent from the decision of the Registrar, Needham J found the applicant's mark in respect of goods to be deceptively similar to the opponent's registered mark as covering goods "of the same description" under s 33(1). His Honour also concluded that the goods covered by the opponent's registered mark were "closely related" to the services in respect of which registration of the applicant's service mark was sought. While accepting that it was not a logical necessity that the relevant question under subs 33(2) of the 1955 Act must be answered in the same way as the question under subs 33(1), his Honour said at 546:

"...I think, in the present case, that the conclusion that the goods are goods of the same description requires a conclusion that the services contemplated by the defendant, which would feature the goods already held to be goods of the same description as those of the plaintiff, are services closely related to the plaintiff's goods."

Apposite to the present case is the question whether a retailer of various classes of goods provides a service to customers which warrants the description of the goods for sale as "closely related goods" in respect of that service. The characterisation of the relationship between services and goods in this way is evaluative. The logic of subs 44(2) suggests that the determination whether goods are closely related to the services in question is logically antecedent to the determination whether the trade mark in respect of the services is deceptively similar to that in respect of the goods. Wilcox J at first instance in this case saw

the questions as “conceptually distinct” but accepted that one could not be addressed in isolation from the second:

“The closer the relationship between the services and particular goods, the more likely any similarity in marks will prove deceptive.”

This approach is not greatly assisted by the language of s 10 which, like s 6(3) of the 1955 Act, defines deceptive similarity solely in terms of the degree of resemblance of the trade marks in question and whether that degree of resemblance is “likely” to deceive or cause confusion. But that definition must, in the context of s 44, be applied to the case of “closely related” goods and services.

40 In the end there is one practical judgment to be made. Whether any resemblance between different trade marks for goods and services renders them deceptively similar will depend upon the nature and degree of that resemblance and the closeness of the relationship between the services and the goods in question. It will not always be necessary to dissect that judgment into discrete and independent conclusions about the resemblance of marks and the relationship of goods and services. Consistently with that proposition, the Registrar or a judge on appeal from the Registrar could determine in a particular case that, given the limited degree of resemblance between the relevant marks he or she could not be satisfied, no matter how closely related the goods and services concerned, that the use of the applicant’s marks would be likely to deceive or to cause confusion.

41 Mr F.J. Smith, a former Commonwealth Registrar of Trade Marks and Designs and Commissioner of Patents, observed at the time of the 1978 amendment that:

“It will be an exercise of the Registrar’s judgment and ultimately of his discretion whether goods and services are closely related. The relationship would have to be close, not merely a tenuous or remote connection. Where the services are performed upon, or in relation to, or even by means of certain goods, this is a factor which would make deception or confusion between marks used in respect of those services and goods more likely.” – Smith, supra, 53 ALJ 118 at 120

That observation is consistent with a proper focus upon the core question whether the resemblance between the marks is likely to deceive or confuse.

42 The first touchstone of construction is the language of the Act. Some of its words,

however, import meanings and applications which have been developed in the case law. Their use suggests the legislature did not intend to jettison the learning that had accrued to them. Previous case law must, however, be treated with care to the extent that it concerned conflicts between trade marks in respect of classes of goods. There is a somewhat different kind of conflict between a trade mark on goods and a trade mark on services. They are really quite different things. It was said in the 12th edition of Kerly's *Law of Trade Marks and Trade Names* at 2.08:

"...in reality service marks are quite different from trade marks. Goods tend to be more or less durable, and the mark to stay with the goods; the service mark is there to advertise the service beforehand. Thus the service mark is closer in function to a business name, identifying the business as much as distinct from its products."

43 For there to be a deceptive similarity between a service mark and a mark in respect of closely related goods the degree of resemblance must be such that the service mark is "likely to deceive or cause confusion". The use of the word "likely" in this context does not import a requirement that it be more probable than not that the mark has that effect. The probability of deception or confusion must be finite and non-trivial. There must be a "real tangible danger of its occurring" – *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 529 at 594-5 per Kitto J.

44 Previous case law must also be treated with care to the extent that it embodies the old principle that the onus is upon the applicant to establish registrability of a proposed trade mark. There was no express reference to this change in the law in the decision of the Registrar's delegate who referred from time to time in his reasons to the "possibility" of deception and confusion. On the other hand he also made a number of strong positive findings that there was a likelihood of deception and confusion. These were not matters which would need to concern his Honour at first instance as he was in a position to substitute his own view for that of the delegate on the materials before him. They are, however, matters that might affect any weight to be given to the delegate's view.

45 Somewhat surprisingly the submissions made by the Registrar before this Court posited a test which imported the old law as to onus. It was put in his written submission that the test be applied in considering likely deception or confusion may be stated as in *Re Smith Hayden and Co's Application* (1946) 63 RPC 97 at 101.8:

“Assuming a use by the proprietor of each of the cited trade marks in a normal and fair manner in respect of any of the goods and services covered by those registrations, is the court satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the applicant for registration (the respondent to this application) also uses its mark normally and fairly in respect of services covered by the proposed registration.”

So far as this passage, reflected in oral submissions, suggests that an applicant must satisfy the Registrar or the Court that there will be no reasonable likelihood of deception and confusion it does not represent the law as it stands under the 1995 Act. The position now is that the Registrar and the Court at first instance would need to be satisfied that there was a reasonable likelihood of deception or confusion before denying acceptance of the application for registration.

46 It was also said in the course of the Registrar’s submissions that in comparing the mark in suit with the cited marks the learned primary judge did not consider whether acquirers of goods or services covered by the cited marks or the service mark as the case may be “might be caused to wonder whether it might not be the case that the relevant goods and/or services came from the same source.” The submission implied that a mere possibility of confusion would be enough to justify rejection of registration. Again that, in effect, leaves the onus with the applicant. The question for the Registrar and the Court is not whether consumers might be confused (in the sense of wondering about common origin or connection) but whether there is a reasonable likelihood that they will be confused.

47 Section 33 imposes upon the Registrar and the Court, on appeal from the Registrar, an obligation to accept the application unless satisfied either that the application has not been made in accordance with the Act or that there are grounds for rejecting it. The decision to reject an application regularly made must now be based upon positive satisfaction that a ground for rejecting it is made out. This may have implications for the Registrar’s administrative practice. There will no doubt be cases in which the requisite state of satisfaction can be reached by consideration of the visual and aural features of the marks in question against the description of the goods and/or services to which they relate. But there will also be cases in which such materials will be of themselves inadequate to support a proper judgment. In some circumstances market or survey evidence might be necessary to form a concluded view. Unless the Registrar is to undertake inquiries of that kind going beyond the content of the application and the existing Register and prior applications, then

the application will have to be accepted and determination of such questions as deceptive similarity left to opposition or expungement proceedings. Given the preliminary character of the acceptance decision and the availability of the later adversarial processes, it may be consistent with the policy of the 1995 Act that only in clear cases of deceptive similarity will the Registrar reject upon that ground. The policy of the 1995 Act can be said to some extent to have shifted the balance of the objectives of trade mark law more towards the identification and protection of commercial products and services than the protection of consumers, although the latter remains an objective. In respect of deceptive trade marks the interests of consumers are also protected by comprehensive Federal and State laws relating to conduct which is misleading or deceptive or likely to mislead or deceive. The trade mark law concept of confusion in the sense of mere wonderment as to common origin or connection has little part to play in the consumer protection statutes. That, no doubt, is because “confusion” used in that sense, does not of itself lead into error or affect choices at the point of sale. It is perhaps best described in trade mark law as effecting a prophylactic support for commercial distinctiveness.

48 In fairness to the Registrar’s submission, it must be acknowledged that the principal criticisms advanced of his Honour’s reasons did not depend upon the erroneous imposition of an onus upon the applicant for registration to establish registrability. Provided that case law on deceptive similarity and likely deception or confusion under earlier statutes is invoked, bearing in mind the change in the law as to onus, it can still be relied upon as an authoritative guide to the construction of ss 10 and 44 of the Act. The essentials of deceptive similarity which will defeat an application for registration, have not changed with the new Act. Their application in the case of closely related goods and services is relatively new however and as has been seen, the subject of little in the way of case law.

49 The question of fact for the Court on an appeal from the Registrar in a case of alleged deceptive similarity between marks was posed by the High Court in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (supra) at 658:

“...whether in fact there is such a reasonable probability of deception or confusion that the use of the new mark and title should be restrained.”

The reference to “restrained” reflects the fact that unlike this case the *Australian Woollen Mills Ltd* case was an appeal in an infringement action. The judgment of the likelihood of

deception or confusion is a very practical one and what has long been accepted as the proper approach to making that judgment was set out in *Australian Woollen Mills Ltd*. It requires assessment of the effect of the challenged mark upon the minds of potential customers. Impression or recollection taken away from the point at which the challenged mark is observed will be the basis of any belief about a connection between the new and the old marks. The effect of spoken description must be considered. What confusion or deception may be expected is to be based upon the behaviour of ordinary people. As potential buyers of goods they are not to be credited with high perception or habitual caution. Exceptional carelessness or stupidity may be disregarded. The question ultimately is not susceptible of much discussion:

“It depends on a combination of visual impression and judicial estimation of the effect likely to be produced in the course of the ordinary conduct of affairs.” (659)

50 In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 594-5, which concerned the 1905 Act, Kitto J set out a number of propositions which have frequently been quoted and applied to the 1955 Act. The essential elements of those propositions continue to apply to the issue of deceptive similarity under the 1995 Act. Applied also to service marks and absent the imposition of an onus upon the applicant they may be restated as follows:

- (i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.
- (ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.

It may be interpolated that this is another way of expressing the proposition that the trade mark is likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

- (iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.
- (iv) The rights of the parties are to be determined as at the date of the application.
- (v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

In respect of the last proposition, Mason J observed in *Berlei Hestia Industries Ltd v The Bali Company Inc* (1973) 129 CLR 353 at 362:

“...the question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past, but by reference to the use to which it can properly put the mark. The issue is whether that use would give rise to a real danger of confusion.”

Conclusions About the Primary Judge’s Approach

51 Despite the number of grounds of appeal, the appellant’s submissions were directed to two aspects only of his Honour’s reasoning. It was said that his Honour erred in allowing the appeal:

- (a) By applying a more limited test of deceptive similarity than that established by principle; and
- (b) By applying a significantly higher threshold test.

It was submitted in reliance upon *Re: Smith Hayden and Co’s Application* (supra) and *Johnson & Johnson v Kalnin* (1993) 114 ALR 215 that the correct approach to the issue of deceptive similarity under s 44 is to compare the statutory rights of use of each mark

conferred by registration or sought to be conferred pursuant to an application for registration – that is the use to which a registered owner properly can put the mark within the ambit of the registration rather than actual modes of use of the mark.

52 Reference was made to his Honour’s reasons for judgment where he said:

“One must come back to the critical question posed by s 44(2) of the Act: where the Woolworths’ mark, considered as a whole, is deceptively similar to a mark consisting merely of the word “metro” (or “metro 22”) printed in block letters or cursive writing in a rectangular box.”

It was argued for the Registrar that his Honour thereby posed a much more limited question than that posed by s 44(2) of the Act and did not take into account the statutory rights of use of thirteen of the fourteen cited trade marks. Moreover it was said that in comparing the mark in suit with each of the cited marks, his Honour gave undue emphasis to the word “WOOLWORTHS” in the mark and failed to give proper emphasis to the word “metro”.

53 His Honour’s judgment must be read as a whole and not simply by reference to particular passages. In reviewing counsel’s submissions he set out the issue in the appeal as formulated by Mr Burley on behalf of Woolworths:

“assuming use by the owners of the cited marks in a normal and fair manner on any of the goods or services covered by the registration of their marks, is the court satisfied that there will be no reasonable likelihood of deception and confusion amongst a substantial number of persons if the applicant for registration also uses its mark WOOLWORTHS METRO normally and fairly in respect of services covered by its proposed registration.”

This was a direct application of the test in *Re Smith Hayden & Co’s Application* which, it was said by the Registrar, his Honour had not applied. That passage, of course, is inapplicable under the 1995 Act insofar as it places the onus upon the applicant to demonstrate compliance with the conditions for registration. Moreover it appears that counsel for Woolworths expressly and erroneously submitted to his Honour that “his client bore the onus of demonstrating there is no reasonable probability of confusion”. His Honour seems to have accepted that proposition although in the end, his conclusions, being favourable to Woolworths, were unaffected by that error.

54 His Honour expressly preferred the argument of counsel for Woolworths generally and did so on the basis of what the Registrar now says was the correct test for deceptive similarity.

55 The passage relied upon by the Registrar in support of his first criticism of the judgment focuses upon the issue of resemblance which is properly described as critical to the determination of deceptive similarity. His Honour was entitled to find that the limited degree of resemblance was fatal to a contention that the use of the Woolworths' mark would be likely to deceive or to cause confusion. The degree of resemblance was considerably diminished in his Honour's judgment by the presence of the word "Woolworths" in the proposed mark. It was a feature of the mark which it was "impossible to brush aside". Putting the matter in terms of s 10 his Honour said that "Woolworths' mark does not so nearly resemble any of the cited marks as to be likely to deceive or cause confusion".

56 His Honour was entitled, as was the Registrar, in considering an application, to dispose of the question of deceptive similarity solely upon the basis of want of resemblance. But in fact he had regard also to the question of the relationship between the services covered by the Woolworths' mark and the goods which might be sold through Woolworths using the cited marks. He referred to examples of closely related goods and services which had been suggested by Lockhart J in the *Caterpillar* case (supra). These included curtains as goods and the service of selling the curtains or clothes as goods and the service of tailoring them. The connection in the present case, however, was not of the same order of closeness as in Lockhart J's example. His Honour said:

"Woolworths' services are not specific to particular goods but involve the conduct of stores stocking hundreds, perhaps thousands, of different lines produced by numerous manufacturers. I do not think the mere fact that an item branded with the word "metro" is displayed in a Woolworths Metro store would cause a shopper to believe in a common origin."

This and the associated passages from his Honour's reasons indicate that far from taking the narrow approach to deceptive similarity attributed to him by the Registrar he was looking at the issue of resemblance in its wider context. Moreover the last sentence in the passage above indicates that he looked beyond the particular representation of the word "metro" in the cited marks. And even though in the passage which is criticised he referred specifically to cursive or block lettered representations of the cited marks, the determinative feature on the issue of resemblance was the word "Woolworths". That was a word which would appear in all permitted manifestations of the proposed mark. The Registrar's submission that his Honour erred in approaching the issue of resemblance in the way he did is not accepted.

57 Then it was said that in comparing the mark in suit with each of the cited marks his

Honour gave undue emphasis to the word “WOOLWORTHS” in the mark in suit and failed to give proper emphasis to the word “METRO”.

58 The evaluative decision which his Honour was called upon to make is not one which this Court should review unless satisfied that it was informed by some error of principle. This is consistent with the statutory requirement for leave before an appeal will lie from his Honour’s decision. Moreover, given the duty upon the Registrar to accept the application unless satisfied that the ground of deceptive similarity is made out, his Honour could have been left unsatisfied on that issue without making any positive finding in favour of the applicant and the outcome would have been the same. On the facts of this case, he would have ample ground for not being satisfied as required for the application of s 44(2). This limb of the Registrar’s attack upon the decision therefore also fails.

59 Then it was said that his Honour erred in another way in saying:

“I do not think the mere fact that an item branded with the word “metro” is displayed in a Woolworths Metro store would cause a shopper to believe in a common origin.”

This indicated, it was said, a higher threshold for deceptive similarity than that required by law. For a mark will be deceptively similar to another if it is likely to cause confusion. A likelihood of confusion exists if, as a result of the use of the mark, there is a real probability that some people will wonder or be left in doubt about whether the products and services in question come from the same source – see the propositions extracted from the *Southern Cross Refrigerating* case (supra).

60 Counsel for Woolworths pointed out that this sentence in his Honour’s judgment occurs in context of a consideration of the relationship between the services covered by the applicant’s mark and the goods covered by thirteen of the cited marks. There is some force in the Registrar’s concern that his Honour did not expressly address the wider issues of confusion. However the strength of his findings about the impact of the word WOOLWORTHS in the proposed mark negatives that wider possibility. This is particularly apparent in that passage in the judgment in which his Honour said:

“Although I take Ms Baird’s point about imperfect recollection, I cannot accept that viewers of the mark would overlook or forget that it refers to “Woolworths metro”, not merely “metro”. The word that is unique to this

mark, as against each of the cited marks, constitutes a major feature of it. Applying the Australian Woollen Mills test, the impression or recollection of the subject mark a viewer would carry away and retain is quite different from that which he or she would retain in respect of any of the cited marks.”

61 In respect of the fourteenth cited mark which is an accepted application pending opposition, his Honour found that there is likely to be some similarity between the services in respect of which registration of this mark is sought and the services offered by Woolworths. However in that respect he said:

“As the name would not be displayed on goods, the aural impression may here be more important than the manner of visual presentation. But it is only possible to say the oral use of the term “Woolworths metro” is deceptively similar to “metro” if one ignores or discounts the word “Woolworths”. In comparing the marks, it is not legitimate to ignore a major element in one of them; and, for the reasons I have given, I do not think that word should be discounted. On the contrary, having regard to its aural prominence and familiarity to Australians, it is the element of the mark most likely to be noticed and remembered.”

His Honour’s reference to the familiarity of the name “Woolworths” in Australia was appropriate. Where an element of a trade mark has a degree of notoriety or familiarity of which judicial notice can be taken, as is the present case, it would be artificial to separate out the physical features of the mark from the viewer’s perception of them. For in the end the question of resemblance is about how the mark is perceived. In the instant case the visual impact of the name “Woolworths” cannot be assessed without a recognition of its notorious familiarity to consumers.

62 In his Honour’s evaluation of the proposed mark against the fourteenth cited mark there is no error of principle disclosed and to the extent that the criticisms advanced by the Registrar, which have already been referred to, apply to potential conflict between the proposed mark and the fourteenth cited mark, they fail for the reasons set out above.

63 For these reasons the appeal should be dismissed with costs.

BRANSON J:

INTRODUCTION

64 I have had the advantage of reading in draft the reasons for judgment of French J in this matter. I gratefully adopt his Honour's statement of the background to this appeal and his identification of the statutory framework within which the appeal is brought.

65 The learned judge at first instance (Wilcox J) allowed the respondent's appeal from the appellant's decision to reject registration of the respondent's trade mark application no. 675,941. The only issue raised by this appeal is that of whether Wilcox J erred in finding that the respondent's application for registration of its trade mark did not fall within the terms of s 44(2) of the *Trade Marks Act 1995* (Cth) ("the Act").

66 Section 44 falls within Part 4, Division 2 of the Act, and is concerned with the grounds for rejecting an application. Section 44(2) provides as follows:

"(2) Subject to subsections (3) and (4), an application for the registration of a trade mark ("applicant's trade mark") in respect of services ("applicant's services") must be rejected if:

- (a) it is substantially identical with, or deceptively similar to:*
 - (i) a trade mark registered by another person in respect of similar services or closely related goods; or*
 - (ii) a trade mark whose registration in respect of similar services or closely related goods is being sought by another person; and*
- (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's services is not earlier than the priority date for the registration of the other trade mark in respect of the similar services or closely related goods".*

Sections 44(3) and (4) have no present relevance.

CONSIDERATION

The appropriate test

67 As French J has observed, s 33 of the Act gives effect to the intention disclosed in the Second Reading Speeches for the Trade Marks Bill 1995, that there is to be a presumption of registrability when an application to register a trade mark is examined by the Registrar of Trade Marks ("The Registrar"); see also *Blount Inc v Registrar of Trade Marks* (1998) 83

FCR 50 at 56. Under the *Trade Marks Act 1955* (Cth) (“the 1955 Act”) the position was otherwise: the Registrar was to accept an application for registration only if satisfied that there was no lawful ground of objection to it.

68 Section 33 of the Act provides, so far as is here relevant:

“33(1) *The Registrar must, after the examination, accept the application unless he or she is satisfied that:*

- (a) the application has not been made in accordance with this Act; or*
- (b) there are grounds for rejecting it.*

(2) [not here relevant]

(3) *If the Registrar is satisfied that:*

- (a) the application has not been made in accordance with this Act; or*
- (b) there are grounds for rejecting it;*

the Registrar must reject the application.

(4) [not here relevant]”.

69 Thus, although s 44(2) of the Act is not drawn in terms of the Registrar’s satisfaction, the practical effect of s 33 is to import into the test established by s 44(2) the notion of the Registrar’s satisfaction (or, on appeal to a judge of the Court, the judge’s satisfaction) (*Blount v Registrar of Trade Marks* at 59). A decision as to “satisfaction” is open to review if it is affected by error of law, or if the decision-maker takes into account extraneous matters or excludes from consideration relevant matters. However, because s 44(2) of the Act is concerned ultimately with matters of impression to which different minds could give different answers, this Court, sitting on appeal from a judge of the Court, will, in the absence of demonstrated error, be careful to avoid entering into a consideration on the merits of whether or not it would have been satisfied that an application should have been rejected on the ground specified in s 44(2) of the Act (*Minister for Immigration and Ethnic Affairs v Wu Shan Liang* (1996) 185 CLR 259 per Brennan CJ, Toohey, McHugh and Gummow JJ at 275-276 and per Kirby J at 291).

70 The Act contains no definition of the expression “*substantially identical*”. The

expression is therefore to be understood in its ordinary or usual sense of in substance, or essentially, the same.

71 The expression “*deceptively similar*” is defined by the Act, although it was not defined by the 1955 Act. Section 10 of the Act provides:

“For the purposes of this Act, a trade mark is taken to be “deceptively similar” to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion”.

72 As French J has also observed, the Act was intended to be “*an evolution from, rather than a revolutionary change of, the 1955 Act*”. For this reason, many of the authorities on the proper construction of the 1955 Act, and indeed, the 1905 Act, will inform the construction of the Act. However, in construing the Act, proper weight is to be given to the differences between it and the earlier legislation. One difference, to which reference has already been made, is that the Act gives effect to a presumption of registrability which did not operate under earlier legislation.

73 A further difference between the Act and its predecessors is that the Act provides separately for grounds for the rejection of an application for the registration of a trade mark (Part 4 Division 2) and grounds upon which the registration of a trade mark may be opposed (Part 5 Division 2). Whilst the registration of a trade mark may be opposed on any ground upon which an application for the registration of a trade mark may be rejected, except the ground that the trade mark cannot be represented graphically (s 57), some of the grounds upon which registration of a trade mark may be opposed are not grounds upon which an application for the registration of a trade mark may be rejected.

74 The 1955 Act dealt in ss 28 and 33 with circumstances in which a trade mark was not entitled to registration because of its capacity to cause deception or confusion. Section 28, so far as is here relevant, provided:

“28 *A mark:*

(a) *the use of which would be likely to deceive or cause confusion;*

...

shall not be registered as a trade mark”.

Section 33 provided:

- “33(1) Subject to this Act, a trade mark is not capable of registration by a person in respect of goods if it is substantially identical with or deceptively similar to a trade mark which is registered, or is the subject of an application for registration, by another person in respect of the same goods, of goods of the same description as those goods or of services that are closely related to those goods, unless the date of registration of the first-mentioned trade mark is, or will be, earlier than the date of registration of the second-mentioned trade mark.*
- (2) Subject to this Act, a trade mark is not capable of registration by a person in respect of services if it is substantially identical with or deceptively similar to a trade mark which is registered, or is the subject of an application for registration, by another person in respect of the same services, of services of the same description as those services, or of goods that are closely related to those services, unless the date of registration of the first-mentioned trade mark is, or will be, earlier than the date of registration of the second-mentioned trade mark.*
- (3) Where, in accordance with this section, a trade mark is not capable of registration by reason of the existence of another trade mark, the Registrar may defer acceptance of the application for registration of the first-mentioned trade mark until the second-mentioned trade mark has been registered.”*

75 The comparable provisions of the Act are ss 43, 44 and 60. Section 43 of the Act, which appears in Part 4 Division 2, provides:

- “43 An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion”.*

76 Section 44 also appears in Part 4 Division 2 of the Act. Section 44(2), which is concerned with services, is set out above. Section 44(1) contains equivalent provisions applicable to applications for the registration of trade marks in respect of goods.

Section 60, which appears in Part 5 Division 2 of the Act, provides:

“60 The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and*
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.”*

Having regard to the definition of “*similar goods*” and “*similar services*” contained in s 14 of the Act, it can be seen that s 33 of the 1955 Act and s 44 of the Act are concerned with the same general issue, namely the prevention of the registration of a trade mark the use of which, by reason of the trade mark’s resemblance to a registered trade mark, may impinge on the statutory rights of the registered owner.

The broad provision contained in s 28(a) of the 1955 Act is now reflected in two separate sections of the Act - ss 43 and 60. Section 43, which is a ground for the rejection of an application for registration of a trade mark, looks to the inherent qualities of the trade mark of which registration is sought for the purpose of identifying whether the use of the trade mark would be likely to deceive or cause confusion. Section 60, which is a ground of opposition to registration, is concerned with whether the use of the trade mark of which registration is sought would be likely to deceive or cause confusion by reason of the reputation in Australia of another trade mark.

The fact that s 43 is found in Part 4 Division 2 of the Act, whilst s 60 is found in Part 5 Division 2, reflects, in my view, an appreciation of the practical reality that before the acceptance for registration and advertising of an application for registration of a trade mark, the information available to the Registrar touching on issues of likely deception and confusion will be limited. The Registrar will be in a position to assess the extent to which the trade mark for which registration is sought resembles a registered trade mark. He or she will also be in a position to appreciate the proper uses which may be made of the registered trade mark on the one hand, and of the trade mark for which registration is sought, should it be registered, on the other. However, the Registrar cannot reasonably be expected to be

cognisant of the reputation of registered and unregistered trade marks generally or, indeed, of the extent, for example, to which all Australians, whose circumstances and geographic locations are diverse, may be assumed to be familiar with particular words. As French J has pointed out, the acceptance stage is not the time for detailed adversarial examination of an application.

81 The position will change following the filing of a notice of opposition to registration. An opponent is entitled to rely on evidence in support of the opposition and the applicant for registration may rely on evidence in answer to the opposition. By this means, material which could not ordinarily be expected to be available to the Registrar for the purpose of determining whether an application for registration of a trade mark should be accepted, may become available to him or her for the purpose of determining whether the trade mark should be registered.

82 The above analysis provides support, in my opinion, for the view that s 44(2) of the Act, at least to the extent that it is relied upon as a ground for the rejection of an application for registration, is principally concerned with the inherent qualities of the trade marks under consideration having regard to the uses which may be expected to be made of them, and not with matters which might be expected to be the subject of evidence following the filing of an objection to registration. Additional support for this view can be found in the terms of s 60 of the Act. The fact that the ground for opposing registration of a trade mark provided by s 60 requires not only that the trade mark for which registration is sought be substantially identical with, or deceptively similar to, another trade mark, but also that, because of the reputation of that other trade mark, the use of the first mentioned trade mark would be likely to deceive or cause confusion, tends to confirm that the test for deceptive similarity is not a test intended to be complicated by considerations of reputation in trade marks.

83 I turn to consider whether any of the authorities compel a different construction of s 44(2) of the Act. The proper approach to the question of whether one trade mark so resembles another as to be likely to deceive was said by the High Court in *Cooper Engineering Co. Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536 at 538 to be well settled and summed-up by Parker J, as he then was in *In the Matter of An Application by the Pianotist Company Ltd for the Registration of a Trade Mark* (1906) 23 RPC 774 at 777 in the following passage:

“You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion – that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods ... you must refuse the registration, or rather you must refuse the registration in that case.” (citations omitted)

The High Court (Dixon, Williams and Kitto JJ) then went on to say:

“It is sufficient if persons who only know one of the marks and perhaps have an imperfect recollection of it are likely to be deceived.”

84 The High Court indicated in the *Cooper Engineering* case, at 539, that the question of whether one trade mark so resembled another trade mark as to be likely to deceive is, in substance, a two stage test. First, do the marks really look alike or sound alike? Secondly, if they do, is the resemblance likely to deceive? The court rejected a contention that it would be sufficient that the two marks conveyed the same idea (see also, *Southern Cross Refrigerating Co. v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 607).

85 Nothing in the *Cooper Engineering* case, in my view, is inconsistent with the notion that the test of whether a trade mark is “deceptively similar” to a registered trade mark within the meaning of ss 10 and 44(2) of the Act is a test concerned with the inherent qualities of the two marks seen in the light of the proper uses that may be made of them.

86 The decision of the Full Court of the High Court in the *Southern Cross Refrigerating Co* case is, in my view, supportive of the above approach. The trade marks under consideration in that case were identical. There was thus no issue concerning their near resemblance. The High Court found that the applicant’s goods were not of “*the same goods or description of goods*” as the opponent’s within the meaning of s 25 of the 1905 Act, a provision corresponding with s 33 of the 1955 Act. Nonetheless, the High Court dismissed

an appeal from the decision of Kitto J that the use of the trade mark by the applicant would be likely to deceive within the meaning of s 114 of the 1905 Act, a provision corresponding with s 28(a) of the 1955 Act. At 608 the High Court indicated that an inquiry under s 114 of the 1905 Act “*may, and frequently will, require the consideration of matters additional to and distinct from those which are relevant to an inquiry under s 25*”. Amongst the additional matters which the High Court identified as being relevant to the wider inquiry under s 114 were the extent of the reputation of the registered trade mark and the likelihood that the applicant and the opponent would be likely to find markets substantially in common areas and among the same classes of people.

87 It may also be noted that in *Johnson & Johnson v Kalnin* (1993) 26 IPR 435 at 441 Gummow J, in giving consideration to ss 28(a) and 33 of the 1955 Act, appears to have proceeded on the basis that a decision under s 28(a) called for consideration of evidence, including evidence touching on reputation and the marketing practices of the applicant and the opponent, but that a decision under s 33 called only for a consideration of the extent of the resemblance of the two trade marks.

88 It is not in dispute on this appeal that in applying the test provided for by s 44(2) of the Act, consideration is not to be given to the actual use made by the owners of the trade mark cited against the applicant for registration. The test to be applied is that proposed by Evershed J in *Re An Application by Smith Hayden & Co Ltd* (1945) 63 RPC 97 at 101. That test may be paraphrased for the purposes of this appeal as follows. Assuming use by the proprietor of the cited trade marks in a normal and fair manner for any of the goods or services covered by the registrations of trade marks, is the Court satisfied that there is a reasonable likelihood of deception or confusion among a substantial number of persons if the applicant for registration also uses its mark normally and fairly in respect of services covered by the proposed registration. See also *Berlei v Hestia Industries Ltd* (1973) 129 CLR 353 per Mason J at 362.

89 In deciding whether there is a reasonable likelihood of deception or confusion such that the application for registration must be rejected the marks are not to be compared side by side but rather:

“[a]n attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark The impression or

recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected". (Australian Woollen Mills Ltd v F.S. Walton & Co. Ltd (1937) 58 CLR 641 per Dixon and McTiernan JJ at 658).

The approach of the Judge at First Instance

90 The respondent's application is to register its trade mark in respect of "[r]etailing and wholesaling services in the nature of supermarkets, department stores, variety stores, boutiques, speciality products stores, liquor outlets and discount stores" in Class 42. The cited trade marks include trade marks registered in respect of meat of all kinds, confectionery, men's, women's and children's under and outer wear but not including footwear, games, toys and playthings but not including scooters, bicycles or exercise bikes, chairs, combs and hairbrushes.

91 The concept of "closely related goods" was analysed by Lockhart J in *Caterpillar Loader Hire (Holdings) Pty Ltd v Caterpillar Tractor Co* (1983) 48 ALR 511 at 522 where his Honour said:

"It is obvious that there is likely to be confusion if substantially the same or deceptively similar trade marks are used by different proprietors, one for goods and the other for services, where the goods and services are closely related. Examples that present practical difficulties are the sale of goods such as data processing equipment and the sale of programs for their operation; the sale of curtains and furnishing materials on the one hand, and the sewing of curtains on the other, as interior decorators often sell curtains and perform the service of sewing; the sale of clothes on the one hand and tailoring on the other because the service of custom tailoring is frequently provided in addition to the sale of ready-made clothes; and the sale of educational material on the one hand and educational services (language courses, home study programmes) on the other".

The appropriateness of Lockhart J's analysis was not challenged on this appeal.

92 Also cited against the respondent's application was an application for registration of a trade mark in respect of services for "[d]istribution of goods from all goods classes with the

exception of cl 6, 12, 34 and 35". This is an application for registration of a trade mark in respect of services in the same class as the services in respect of which the respondent sought registration of its trade mark.

93 In respect of the thirteen cited trade marks in respect of goods, his Honour said:

"There is a connection between the services in respect of which Woolworths seeks registration of its mark and goods that may be sold under one or other of the first 13 cited marks; most of those goods are of a type that might be stocked in a wholesale or retail store. On the other hand, the connection is not of the same order of closeness as in Lockhart J's examples. Woolworths' services are not specific to particular goods but involve the conduct of stores stocking hundreds, perhaps thousands, of different lines produced by numerous manufacturers. I do not think the mere fact that an item branded with the word "metro" is displayed in a Woolworths Metro store would cause a shopper to believe in a common origin. For that to occur, there would need to be some similarity in styling or get up. Shoppers of ordinary experience are aware it is common marketing practice to facilitate brand recognition by using a standard styling or get up; this is a fundamental technique. The greater the differences in traders' presentation of a particular word, the less likely that viewers will assume a common origin; to the point, perhaps, of treating a significant difference in presentation as a counter-indication of common origin. That is why, in this case, it is not enough to note the word "metro". One must come back to the critical question posed by s 44(2) of the Act: whether Woolworths' mark, considered as a whole, is deceptively similar to a mark consisting merely of the word "metro" (or "metro 22") printed in block letters or cursive writing in a rectangular box. Woolworths' mark is similar, to the extent it includes the word "metro". But it also includes the word "Woolworths" and a pattern of wavy lines. I place little weight on the latter feature; it is something a purchaser might fail to notice or recall. However, it is impossible to brush aside the word "Woolworths". The word appears in smaller script than "metro", but it is printed in solid bold capitals. It constitutes a strong visual element of the mark, to my eye an element at least as strong as the word "metro". Moreover, it is a word inherently likely to be noted and remembered. The word is familiar to all Australians, as the name of an Australia-wide chain of stores that has existed for generations. Although I take Ms Baird's point about imperfect recollection, I cannot accept that viewers of the mark would overlook or forget that it refers to "Woolworths metro", not merely "metro". The word that is unique to this mark, as against each of the cited marks, constitutes a major feature of it. Applying the Australian Woollen Mills test, the impression or recollection of the subject mark a viewer would carry away and retain is quite different from that which he or she would retain in respect of any of the cited marks. To put the matter in terms of s 10 of the current Act, Woolworths' mark does not so nearly resemble any of the cited marks as to be likely to deceive or cause confusion."

94 As to the cited application to register a trade mark in respect of services, his Honour

said:

“Similar comments may be made about the fourteenth cited mark, for distribution services. There is likely to be some similarity between the services in respect of which registration of that mark is sought and the services offered by Woolworths. As the name would not be displayed on goods, the aural impression may here be more important than the manner of visual presentation. But it is only possible to say the oral use of the term “Woolworths metro” is deceptively similar to “metro” if one ignores or discounts the word “Woolworths”. In comparing the marks, it is not legitimate to ignore a major element in one of them; and, for the reasons I have given, I do not think that word should be discounted. On the contrary, having regard to its aural prominence and familiarity to Australians, it is the element of the mark most likely to be noticed and remembered.”

95 Wilcox J made no express finding as to whether all or any of the thirteen trade marks registered in respect of goods cited against the respondent’s application to register its trade mark are trade marks registered in respect of “closely related goods” within the meaning of s (2) of the Act.

96 It seems to me that s 44(2) of the Act logically requires, as a first step, the identification of registered trade marks in respect of similar services or closely related goods. Before his Honour it was appropriate for consideration to be limited to the trade marks cited against the acceptance of the respondent’s application. A trade mark in respect services in the same class as the services in respect of which the respondent sought registration of its trade mark was cited. This was “*a trade mark whose registration in respect of similar services ... is being sought by another person*” within the meaning of s 44(2)(a)(ii) of the Act. Further, it seems clear that registered trade marks in respect of closely related goods were cited. Cited against the acceptance of the application were, for example, trade marks registered in respect of “[*m*]eat of all kinds” and “[*m*]eat, fish, poultry and game including *smallgoods*”. Meat and related products are commonly sold in discrete sections of supermarkets and department stores, not uncommonly by independent providers of retailing services, and in speciality products stores. Confectionery, and games, toys and play things are commonly sold in supermarkets, department stores, variety stores and discount stores. Similarly men’s and women’s clothing is commonly sold from department and discount stores and boutiques, and to some extent from supermarkets. Applying the approach adopted

by Lockhart J in the *Caterpillar Loader Hire* case, it must, in my view, be accepted that at least some of the cited trade marks in respect of goods were registered trade marks in respect of “*closely related goods*” within the meaning of s 44(2) of the Act.

97 The next step required by s 44(2) of the Act, in the circumstances of this case, is the consideration of whether the respondent’s trade mark is deceptively similar to any cited registered trade mark in respect of similar services or closely related goods. This step requires consideration of two logically distinct issues. First, whether the respondent’s trade mark resembles any of the relevant cited trade marks and, secondly, if it does, is the resemblance likely to deceive?

98 The learned judge at first instance is not necessarily to be criticised for having considered these two related issues together. However, they are conceptually distinct issues. The question, for example, of whether or not a particular word is familiar to all Australians is irrelevant to the question of whether two marks resemble one another. The question of resemblance is to be answered by judging the appearance and the sound of the respective marks. Having regard to the fact that quite the largest part of the respondent’s trade mark consists of the word “metro”, it would almost seem irresistible that any confusion likely to result from its use would be a confusion arising out of its resemblance to trade marks consisting of the word “metro”, or consisting principally of the word “metro” (cf *Rowntree v Rollbits*).

99 The real issue before his Honour was thus, in my view, that of whether he was satisfied that deception or confusion could result from the use of the respondent’s trade mark. In considering this issue, his Honour was required to give consideration both to the ways in which the relevant cited trade marks in respect of goods might fairly be used “*upon, or in physical relation to, the goods*” (s 7(4)), and the way in which the cited service mark might fairly be used “*in physical or other relation to the services*” (s 7(5)). For this reason, it was not open to his Honour, in my view, to assume that there would not be similarity in styling or get-up between the cited marks and the respondent’s mark; nor was it open to his Honour to assume that, where a trade mark consisted of the word “metro” without conditions or limitations, it would only be used printed in block letters. Further, in my view, it was not open to his Honour to assume that the cited trade marks in respect of goods would be “*branded*” on goods, as opposed to displayed on display labels, swing tags etc “*in physical*

relation to the goods". Finally, as is mentioned above, it was not, in my view, open to his Honour to place weight on his appreciation of the familiarity of all Australians with the word "Woolworths".

100 Moreover, it would have been appropriate, in my view, for his Honour to place weight on the issue of "home brands", an issue identified by the Registrar, a skilled and experienced person in this area, as a relevant consideration. It is not uncommon for retailers to use home brands. This practice is one deserving of consideration in the context of the possibility of confusion arising from the use of a trade mark in respect of retail services which bears resemblance to trade marks in respect of closely related goods. On the evidence before his Honour this issue may have assumed particular significance in respect of, for example, the cited trade mark in respect of meat and related products (see para 33 above). If the respondent were to use its service mark in respect of retailing services concerning meat and related products, might confusion or deception arise with respect to meat and related products upon or in relation to which the cited registered trade mark was used? That is, for example, might consumers be deceived or confused as to whether the products upon or in relation to which the registered trade mark was used, were products of the respondent? In this area of "home brands", I accept the submission of the Registrar that, if it is appropriate to have regard to the wide recognition accorded to the word "Woolworths" in Australia, that recognition is a factor tending to increase, rather than diminish, the risk of confusion.

101 Further, in considering the significance of the inclusion in the respondent's trade mark of the word "Woolworths", it would, in my view, have been appropriate for his Honour to have regard to the tendency, referred to in *Rowntree v Rollbits* at 548, of Australian customers to use words easy of expression in preference to words more difficult of pronunciation. This tendency might be expected to cause the respondent's trade mark to be abbreviated in oral use. Were that abbreviation to result in the word "Woolworths" being omitted from references to the respondent's services, the likelihood of confusion would be significantly enhanced.

102 Ordinarily the appropriate order, in view of the approach which I have taken to this appeal, would be for the matter to be remitted to the judge at first instance. However, both parties asked that this course be avoided. I have therefore considered whether I am satisfied on the material before this Court that the respondent's trade mark is deceptively similar to a

trade mark registered by another person in respect of similar services or closely related goods within the meaning of s 44(2) of the Act. I am so satisfied. In my view, the appeal from the decision of the delegate of the Registrar ought to have been dismissed.

103 I would order that the appeal to this Court be allowed, that paragraphs 1, 2 and 3 of the orders made by his Honour be set aside, and that in lieu thereof it be ordered that the “appeal” to his Honour be dismissed.

TAMBERLIN J:

104 I agree with the reasons of French J and with the orders which his Honour proposes. I will make a brief observation.

105 The marks are quite distinct aurally. The sound of the combination of words “WOOLWORTHS metro” is a different overall sound than that of the word “metro” used alone. Visually also, the two marks are quite distinct. The wavy line background with the words “WOOLWORTHS metro” present quite a different appearance to the “metro” mark used on its own, allowing, as one must, for an imperfect recollection. An important distinguishing feature of the mark is to be found in the impact on the perception of a viewer of the widely-known name “WOOLWORTHS” as part of it. The name is widely understood in the Australian community to refer to a well-known chain of retail stores, such that it would play an important part in the perception of a viewer. Wherever the mark in suit is displayed it will always bear the description “WOOLWORTHS”, whereas any goods sold simply under the “metro” banner will lack this central element.

106 In particular, I agree that when considering the perception and understanding of a person viewing the mark, making due allowance for imperfect recollection, the association conjured up by the “WOOLWORTHS” name makes it a prominent distinguishing feature of the mark. The word “metro”, on its own, conveys no such association and it was open to his Honour to conclude that the “WOOLWORTHS metro” mark is not likely to deceive or cause confusion.