

FEDERAL COURT OF AUSTRALIA

GREENWOOD, KATZMANN AND RANGIAH JJ

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GREENWOOD J:

1 I have had the benefit of reading the draft reasons for judgment of Rangiah J and the draft reasons of Katzmann J.

2 I agree with the reasons of Rangiah J in relation to the matters going to ss 41 and 42 of the *Trade Marks Act 1995* (Cth) (the “TM Act”). I also agree with the observations of Katzmann J concerning the s 41 issues.

3 I simply wish to add some observations on three topics. The *first* concerns, as a matter of essential principle, s 43 of the TM Act having regard to the focus of the analysis in the course of argument by the parties on the notion of identifying, for the purposes of s 43, “some connotation” the trade mark (or a sign contained in the trade mark) has and the corresponding need to isolate the so-called “denotation” of the trade mark as a perceived necessary element in identifying a relevant connotation so as to test whether *use* of the trade mark, having such a connotation, in relation to the “particular services” in respect of which registration of the mark is sought, “would be likely to deceive or cause confusion”.

4 The *second* matter concerns the dominant and fundamental challenge to the entire analysis of the Primary Judge (“PJ”) concerning the question of: to whom are the applicant’s “Services” provided?: I will refer to the applicant for leave to appeal as the “appellant”.

5 The *third* concerns the “proposed condition” to limit the scope of the use of the trade marks.

6 Section 43 of the TM Act is in these terms:

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.

[emphasis added]

- 7 Section 43 falls within Div 2 of the TM Act (which addresses the topic of “Grounds for Rejecting an Application”), of Pt 4 (which concerns “Application[s] for Registration”). In order to **be** a “trade mark” for the purposes of the TM Act, each trade mark in these proceedings, like all candidate trade marks for registration, must be a sign used, or intended to be used, *to distinguish*, relevantly here, the identified *Services* “dealt with or provided in the course of trade” by the applicant from the services so dealt with or provided by any **other person**: s 17.
- 8 The very essence of a trade mark proposed for registration under the TM Act is that it is capable of operating as a “badge of origin” by being capable of distinguishing the goods or services of the applicant dealt with or provided in the course of trade by the applicant from the goods or services of others. The all too familiar rights conferred upon the owner by registration of the trade mark are set out at ss 20, 21, 22 and Pt 12 of the TM Act.
- 9 The statutory essence of a candidate trade mark is that it means and says (that is, distinguishes or is capable of distinguishing), no more and no less than that the *applicant owner* is the *source* of the identified goods or services the subject of the application, rather than someone else.
- 10 This, for want of a better non-statutory descriptive term, is the “denotation” of the trade mark because it is what the trade mark **must be** for the purposes of the TM Act. If the trade mark proposed for registration is simply not capable of distinguishing the applicant’s designated goods or services from those of others, the application for registration *must* be rejected because it fails at the threshold and s 41(1), symmetrically, brings about that result having regard to the imperative of s 17.
- 11 Section 41(2) goes on to identify the only circumstances (that is, those circumstances falling within s 41(3) or s 41(4) depending upon their application) in which a trade mark is *taken* not to be capable of distinguishing the designated goods or services from the goods or services of other persons.
- 12 Although a trade mark sought to be registered might be capable of operating as a badge of origin in the sense contemplated by the statutory text of s 17 (and survive a s 41 analysis), such a trade mark *must* nevertheless be rejected, according to s 43, if, because of some connotation it has, use of the trade mark in relation to the designated goods or services would be likely to deceive or cause confusion.

13 The trade mark might not, of course, in any event, be capable of distinguishing the applicant's goods or services from those of others having regard to the operation of s 41 but assuming a trade mark is otherwise entitled to registration, it *must* be rejected if it has an identified connotation and because of it, use in relation to particular goods or services the subject of the application would be likely to deceive or cause confusion.

14 So, the first s 43 question always is whether the trade mark, sought to be registered, has "some connotation". If not, s 43 is simply not engaged. The second s 43 question, if s 43 is engaged, is whether "because of [that connotation]", use of the trade mark, in relation to the relevant goods or services, in a forward-looking way, "would be likely to deceive or cause confusion".

15 The Primary Judge found at [164] that each trade mark sought to be registered has (and had at the priority date) a "clear connotation".

16 The clear connotation so found is that the word mark "Primary Health Care" and the logo device prominently adopting "PRIMARY" in conjunction with "Health Care Limited" connote "first level or first contact health care": PJ at [164]. That connotation is a shorthand phrase for signifying the provision of services which form part of "that part of the Australian health care system which provides *first level* health care, being the health care received as a result of the *first contact* between an individual and a health care system" [original emphasis]: PJ at [99]. Thus, each trade mark is said to contain within it or "include" or "imply" a meaning "besides what it primarily denotes". Each trade mark primarily denotes a contended distinguishing connection between the *applicant* and the suite of identified *Services* to be provided by reference to each mark (the subject of the application). The *Oxford English Dictionary*, 2nd Ed, Vol 3, attributes the following meanings to the noun "connotation" and the verb "to connote":

Connotation the signifying in addition; inclusion of something in the meaning of a word besides what it primarily denotes; implication

Connote to mark along with, to mark (a thing) with or in addition to (another); to signify secondarily or in addition; to include or imply along with the primary or essential meaning

17 In *Pfizer Products v Karam* (2006) 219 FCR 585, Gyles J said that the term "connotation" in s 43 is a reference to "a secondary meaning implied by the mark" and thus an analysis of whether s 43 is engaged has sometimes tended to centre upon examining the "primary meaning" of the trade mark with a view to then identifying whether the trade mark has an implied "secondary meaning". This has resulted in a search for a "first order" *meaning* to be

attributed to the words (or words and a device), comprising the trade mark (the so-called “denotation”) and a search for a “second order” *meaning* (the “secondary connotation”). The Primary Judge, correctly in my view, said that the phrase “primary health care” adopted in the trade marks has a “clear connotation”, being, “*not the applicant as the source of the Services, but first level or first contact health care*” [emphasis added]: PJ at [164].

18 In that short rolled-up sentence, the Primary Judge is, correctly, saying that the role of the trade mark (that is, that which it “primarily denotes” although the term “denotation” does not appear in s 43) is to *distinguish* the *applicant* as the *source* of the relevant “Services” from the (like) services of others. This is the true denotation. The Primary Judge is also saying that, upon analysis, the phrase “primary health care” does not distinguish the applicant as the source of the Services but has a “clear connotation” that the *character* of the “Services” (or the *kind* of “Services”) provided by the applicant is the provision of “first level or first contact health care”.

19 The Primary Judge found that use of either mark, having such a connotation, would be likely to deceive or cause confusion because the applicant is not, in fact, the provider of, nor responsible for, the *clinical* care provided by the General Practitioner practising at any one of the applicant’s 71 medical centres (medical services) nor the *clinical* care provided by any other health professional actually providing his or her services (professional clinical health services) at any one of the applicant’s medical centres.

20 In the principal proceedings, the Primary Judge found that each trade mark failed as a trade mark for the purposes of the TM Act at the threshold because neither trade mark adopting the phrase “primary health care” was capable of distinguishing the identified “Services” of the applicant from the services of others (s 41(1)) and thus, the essential role of the trade mark as a badge of origin denoting the applicant as the source of the identified “Services” failed. The Primary Judge then proceeded, in any event, to consider the questions raised by the possible application of s 41(2), (3) and (4). The Primary Judge described each trade mark as having the “core meaning” described at [117].

21 Assuming that the appellant has applied for registration of something which is a “trade mark” for the purposes of the TM Act (and thus an application for the purposes of s 43), the application must be rejected on the s 43 ground because the connotation (so found) would be likely to deceive or cause confusion (as found). If, however, the appellant’s trade marks fail at the threshold because neither trade mark is capable of distinguishing the appellant’s identified

Services the subject of the application (the “designated services”) from the services of others, the trade mark simply has no denotation.

22 Each ground of objection has, however, an independent operation. In deciding whether a ground of opposition is made out under s 43, the process of analysis necessarily assumes, for that purpose, that the trade mark is comprised of a sign used or intended to be used to distinguish the identified goods or services dealt with or provided by the applicant in the course of trade from the goods or services of others and asks whether such a sign has some connotation signifying something “besides what it primarily denotes” (to use the Oxford English Dictionary meaning) and, if so, whether use of such a sign, having such a connotation, would be likely to deceive or cause confusion.

23 The question is, does the trade mark have “some connotation” going beyond its *only role* as a badge of origin of the applicant as the source or origin of the identified goods or services described in the application, from the services of others?

24 These things should be noted. At [99], the Primary Judge said this:

99 Having regard to these matters, I do not accept that the applicant’s submission, that there is no “singular or clear meaning” of the descriptive phrase “primary health care”, is correct. It is and for many decades has been clear to those involved in public health policy, that “primary health care” means (at least) *first level health care or the health care received as a result of the first contact* between an individual and a health care system. The fact that the phrase also means more than this is immaterial. The phrase has an ordinary signification to those involved in public health policy in Australia and that signification is that part of the Australian health care system which provides first level health care, being the health care received as a result of the first contact between an individual and a health care system (or, in shorthand, first level or first contact health care). This was (and is) understood to include, but not be limited to, the health care provided to people by GPs. In other words, there has never been any doubt that, to those involved in public health policy in Australia, GPs provide primary health care.

[emphasis added]

25 At [102], the Primary Judge said this:

102 In any event, a number of the witnesses referred to above have been GPs (such as Dr Hobbs) or frequently interact with GPs as part of their work. Moreover, these witnesses did not consider their understanding of primary health care to be one which applied *only* within the area of public health policy. Their experience of the use of the phrase extended beyond that into both *academic* and *clinical* settings. While I accept that a person cannot generally give evidence about another person’s state of mind, the evidence of these witnesses, the overall effect of which was that they frequently heard the term used in these contexts and in a way which accorded with their understanding of the term,

indicates that the applicant's contention that "primary health care" is a recent invention confined to those involved in public health policy is a *fallacy*.

[emphasis added]

26 At [115] and [116], the Primary Judge said this:

115 *Insofar as members of the public are concerned*, the applicant relied on various statements in government policy documents to the effect of the statement in the 2009 *Report to Support Australia's First Primary Health Care Strategy* that:

[P]rimary health care is a term that is not widely used or even understood with most people simply distinguishing between the health care they receive in the community and the health care they receive in hospital.

While there are a number of definitions available, including from the World Health Organisation and the Australian Primary Health Care Research Institute, in practice there is no absolute or consistent view about whether particular settings and services are part of primary health care or not.

116 Again, when read in context it is apparent that there is *no suggestion* here that "primary health care" *does not mean first level or first contact health care*. Nor is it suggested that a member of the public, confronted with the phrase, would not understand this *core meaning* as a result of the *ordinary meaning of each of the words*. The health care which people receive in the community is primary health care so the distinction which the report says most people draw in fact accurately reflects the health policy meaning of the phrase. The points being made are first that members of the public, in contrast to those involved in health care, do not think in terms of primary, secondary and tertiary health care and, second, that there is room for debate amongst those involved in health care about whether any particular activity involves primary health care or some other level of care. What reading the documents in context also makes plain is that, whatever the bounds of that potential for debate, the provision of medical services by GPs is a setting involving the provision of primary health care. It is an unequivocal example of the provision of what a substantial number of those involved in the health sector would know involved primary health care.

[emphasis added]

27 At [117], the Primary Judge said some things about the "core meaning" of "first level or first contact health care". The Primary Judge said this:

117 I also consider that this core meaning, of first level or first contact health care, would be understood by a substantial number of people seeking to access health care as at the priority date. That is, if a person saw "primary health care" in the context of seeking health care for themselves or a family member or associate, *they would understand the reference to be to a form of health care, being first level/first contact health care. They would do so because of the ordinary meaning of each word which makes up the phrase*. While such a person may not distinguish between primary, secondary and tertiary levels of health care, or think of primary health care as an approach to health care in the

extended sense of the term as used in the health policy context, they would understand the ordinary signification of the phrase to be first level/first contact health care. Such a person, moreover, would be very unlikely to associate the phrase with the applicant because the applicant's marketing is targeted at GPs, not members of the public. One exception to this would be those with an interest in publicly listed companies operating in the health care sector (about which Mr Symons gave evidence) but people within this class could not be assumed to be a substantial proportion of the general public.

[emphasis added]

- 28 The Primary Judge found that the “Services” are integral to the provision by GPs (and other health professionals within the medical centres owned and operated by the appellant) of primary health care services to patients who attend the centres: [118].
- 29 The Primary Judge found that the “core meaning” of each trade mark *is* the connotation conveyed by each mark as found. In other words, the Primary Judge found (having regard to the rolled up sentence at [164] of the Primary Judge's reasons, as mentioned earlier, taken together with the other findings), that each trade mark failed as a trade mark as neither trade mark was capable of distinguishing the appellant's “Services” (in respect of which each trade mark was sought to be registered), from the services of others. However, even assuming, for the sake of the s 43 question, that each trade mark was capable of discharging its statutory function as a trade mark, the trade marks comprising the signs “Primary Health Care” contain within them a meaning going beyond the contended primary (and *only*) role of each mark as a badge of origin by implying, in addition, a meaning of, *not the appellant* as the *source* of the identified “Services”, but rather, the appellant as a provider of *first level* or *first contact health care*. It was uncontroversial that the appellant does not supply *any* clinical care or other professional health care services (which, of course, form no part of the identified Services in any event).
- 30 Section 43, in order to be engaged, did not require the Primary Judge to find *another* or *secondary* meaning going beyond “first level or first contact health care” provider and ask whether such other meaning, through use of each trade mark, gave rise to the statutory consequences contemplated by s 43. The two questions under s 43 were: whether each trade mark contains “some connotation” (going beyond the *appellant* as the *source* of the “Services”), implying that the appellant is a provider of “first level or first contact health care”; and, whether use of each trade mark, having such a connotation, would be likely to deceive or cause confusion.

31 The Primary Judge did not fall into error in the way in which her Honour approached the questions to be answered under s 43 of the TM Act. I will return later in these reasons to the question of whether use of each trade mark having such a connotation would be likely to deceive or cause confusion. Before doing so, it is necessary to turn to the second issue which concerns the question of whether the Primary Judge fell into error in the way in which her Honour analysed the appellant's services and found that they were provided more broadly than that contended for by the appellant. This contention goes to Ground 3 of the notice of appeal. However, the appellant says that the approach of the Primary Judge *affected everything* because her Honour's approach caused the analysis of the legal questions in issue to miscarry.

32 By Ground 3 of the grounds of appeal, the appellant contends that the Primary Judge erred in finding at [60]–[68], [80], [118]–[199], [124], [143] and [153], that the “Services” provided by the appellant “are not separate from other activities engaged in by the appellant in the operation of its medical centres and [in finding that the Services], are indivisible or indistinguishable from, or integral to, the provision of clinical care to patients who attend the appellant's medical centres”.

33 Put simply, the appellant contends that the Services are “back office services” provided to the addressees of those services, namely, medical and allied health practitioners. In that sense, it is said that medical and allied health practitioners are provided with a suite of support services which enable them to provide clinical services. In effect, all necessary services to enable them to provide clinical services are outsourced to the appellant as a service provider. The appellant says that the proper way to view these structural and institutional arrangements with medical and other health professionals is in an entirely bilateral or binary way. The appellant, it is said, has configured a suite of services (the “Services”) which are addressed to, and provided to, the medical practitioner or the related health professional to enable that person to provide clinical services. The appellant says it has *no relationship* with the patients or persons who deal with the medical practitioner or related health professional.

34 The “Services” identified in the application for registration of each trade mark (Class 35 services) are described in this way:

Medical centre business management; medical centre business administration; service provider to medical professionals, namely provider of: administrative support services, billing and invoicing services, reception and telephone answering services, patient booking services, patient file management services including management of access to patient files, typing services, account-keeping and book-keeping services, preparation of business reports, systemisation of information into computer databases,

professional business consultancy, computerised file management, business and information management services, ordering services, processing of purchase orders.

35 The Primary Judge conducted an examination of the evidence concerning the way in which the appellant has gone about operating its 71 medical centres. The Primary Judge made the following observations in the paragraphs of the primary judgment now under challenge. I will start with [60] to [68]:

60 Reality dictates that the applicant's attempts to characterise the Services as services provided *only* to medical professionals cannot be accepted. The attempts reflect a *misconception* which affects the entirety of the applicant's case.

61 Another misconception in the applicant's case is apparent. It is the notion that the applicant is *in the business* of providing the Services to health professionals. This is inaccurate. The applicant is *in the business of operating medical centres* to which it recruits GPs and, as part of a much larger set of activities, it also provides the Services to the health professionals who have contracted to work from such a centre. No health professional can simply purchase the Services from the applicant. As part of the applicant's overall activity, but not otherwise, the applicant provides the Services which of their very nature and in many respects are services to not only the GPs and allied health professionals, *but also to members of the public and to others involved in the health system*.

62 As noted, the applicant, on the evidence, does not offer any GP or allied health professional the Services *in isolation*. The applicant, for example, does not offer the Services to every GP or allied health professional. The Services are only available to a GP or allied health professional at the medical centre to which the GP or allied health professional has been recruited. Consistent with this, the applicant does not market the Services per se to GPs and allied health professionals. Rather, it markets to GPs and allied health professionals a *form of practice* from one of its *medical centres*. The form of practice is to work from a room in one of the applicant's medical centres (GPs are recruited to specific centres and must practice from that centre) which will be fully equipped and supplied by the applicant, with all staff and services necessary for the operation of a medical centre being provided by the applicant in exchange for a fee which is calculated as a percentage of the money earned by the GP from providing clinical services to patients.

63 Against this background, I do not accept the attempted characterisation of the applicant as having provided the Services to GPs and health professionals and having done so using the marks to brand the Services. It might be different if, for example, the applicant was in the business of providing the Services to all GPs and health professionals and marketed the Services in that way. But this is not what the applicant does or has ever done.

64 As such, the *focus* of the applicant's case is *off target* and *at odds with the evidence*. The consequences of this disconnect run through every aspect of the case. *First*, the Services cannot be considered as if they exist in isolation because that is not how the Services are provided. *Second*, no matter how often the applicant repeats it, I am unable to accept that the Services are directed only to GPs and health professionals; the public and other participants in the health care sector are provided with some of the Services and are potentially

concerned with all of the Services. *Third*, this in turn affects the question of whether the marks are inherently adapted to distinguish when the Services are provided in and from a medical centre which, as discussed below, involves the quintessential form of primary health care. *Fourth*, this has led to the proposed amendments which, as discussed below, involve a form of self-negating description of the Services. *Fifth*, the applicant has tried to establish acquired distinctiveness by use of the marks in respect of the Services when the applicant does not market the Services at all in and of themselves, but markets to GPs and allied health professionals a particular form of practice in which, amongst many other things (including the basic requirements of rooms, equipment, medical supplies, cleaning and maintenance), the applicant also provides the Services.

- 65 To return to the immediate issue, *the reality is that*, at least insofar as the Services are concerned, *the applicant is providing services to medical professionals within its centres, to patients of those centres, and to all other participants in health care who interact with any medical professional in one of its centres*. The fact that the applicant (or Idameneo) receives payment for the provision of the Services directly from the medical professional does not mean that the Services are provided only to the medical professional. Nor does the fact that medical professionals understand that they alone provide clinical or medical services to patients mean that the Services are not provided to patients. The reasoning involved seems to involve a false syllogism: (i) only medical professionals provide clinical services to patients, (ii) the Services are not clinical services, (iii) therefore, the Services are necessarily not services to patients. Propositions (i) and (ii) may be accepted, but they do not lead to proposition (iii).
- 66 Moreover, the fact that the Services are not clinical services does not mean that they are irrelevant to the provision of clinical services. If the applicant (or Idameneo) did not provide the Services to a medical professional then, in the Australian health care system at least (which is highly regulated), someone else would have to provide those services (including the medical professional personally if they so wished) to enable the clinical services to be provided. Even a medical professional who did not wish to charge for their services would be bound by ethical (and presumably statutory) obligations to ensure that proper records of treatments, prescriptions and referrals are made and maintained. The existence of, and ability to access, those records is very closely related to, indeed part of, the provision of clinical services.
- 67 While there is a *factual dispute* between the parties about the *extent* to which the applicant (or Idameneo) has *used* the words “Primary Health Care” to *brand* its medical centres in some way or another (three centres according to the applicant and seven centres according to the respondent), it is not in issue that the applicant’s particular business model involves the *marketing to and recruiting of GPs to work from its medical centres*. The applicant, in substance, sells to GPs a form of practice. The *thrust of the marketing is* (and has been) that it may pay GPs for their practice and, for a fee calculated as a percentage from patient billings, will provide them with *rooms within a large-scale multi-disciplinary centre from which to work, with all “nurses, receptionists, supervisors, accountants and administrative staff” provided as part of the centre, the patient benefits being identified as accessible health care when needed, no appointments necessary, Medicare services bulk-billed, comprehensive family practice with GP of choice and range of practitioners to choose from, continuity of care with availability of records and service by principal doctors, and “comprehensive one site health care for most services*

found outside major hospitals”.

68 Contrary to the respondents’ case, I have no doubt that the *thrust* of the applicant’s marketing has been and is intended to be *to GPs and allied health professionals, not to the public*. The occasional references to itself in its dealings with the public seem relatively few and far between compared to its continuing activity of recruitment of GPs to its centres. *But by focusing on the Services which occur within the medical centres at which patients receive clinical care the applicant has created specifications in which many of the Services are services to more than merely the GP or other health professional, and are indivisible from or integral to the provision of clinical care by the GP or other health professional.*

[emphasis added]

36 The appellant also challenges the findings in the following paragraphs:

80 To take billing services as an example, the applicant (or Idameneo) is providing those services directly to medical professionals. However, irrespective of the applicant’s conception of its activities, it is *also providing those billing services directly to patients*. The proposed amendments attempt, on the one hand, to give the applicant a right of exclusive use of the marks insofar as the medical professionals are concerned, yet on the other hand to deny the applicant any right of exclusive use insofar as members of the public are concerned. The *service*, however, is the *one service*. In providing a service to medical professionals, the applicant is *also* providing a service to patients. In providing a service to patients, the applicant is *also* providing a service to medical professionals. Billing services necessarily “entail dealing with patients”, so are those services within or outside the scope of the registration? The applicant, by the *amendments*, is trying to divide a service into segments which do not exist. For the same reason, the applicant’s invitation to attempt to re-write the specifications must also be *declined*.

...

118 As discussed, I accept the respondents’ submission that the Services are *integral* to the provision *by GPs* (and other health professionals within the medical centres owned and operated by the applicant) of *primary health care services to patients who attend the centres*.

119 As the respondents submitted, there is an *unreal distinction* at the *heart* of the applicant’s case between the provision of the Services and the provision of clinical or medical care. The distinction is unreal because the Services are *part* of the *overall service* a patient receives when attending a medical centre and, to some extent, are also part of the medical or clinical care a patient receives. It is part of medical care that a GP be able to access clinical records for a patient. It is part of medical care to ensure new records are accessible in the future. It is part of medical care for a patient’s referral to be properly recorded, stored and managed. It is part of medical care for the centre to have available necessary medical supplies. Otherwise, from the moment a patient makes a booking or attends a centre, they are receiving aspects of the Services.

...

124 In this context, if the question is posed whether, at the priority date, other persons involved in the Australian health care system, in the ordinary course and without improper motive, might wish to use the phrase “primary health

care” in connection with the Services; the answer *must be* “yes”. Every GP and every medical centre is providing primary health care and, in so doing and in one way or another, is performing or having performed the Services to enable that provision. The phrase was at the priority date, and remains, a direct description of the activity of which the Services form part. The phrase does not have an inherent capacity to distinguish the Services as offered by the applicant from the same services however and by whomever they might be performed. The phrase is not a skilful allusion to the clinical services that GPs provide in asserted distinction from the administrative and managerial character of the Services. Because the distinction is artificial, the phrase is directly descriptive of the Services. The other persons who might legitimately wish to use the phrase “primary health care” in connection with services the same as the Services include all government departments involved in the health care system, all providers of primary health care, all businesses like that of the applicant involved in the provision of primary health care, and all members of the public.

...

- 143 Given these matters, care is required in respect of the evidence for and submissions of the applicant. For example, it was submitted that:

Primary Health Care’s sales approaches and negotiations with potential customers of the Services, as at October 2009 and continuing today, are conducted under and by reference to the Trade Marks, and involve careful explanation of its Services.

...

- 153 These conclusions also answer the inquiry under s 41(6). As discussed I consider that the marks are not to any extent inherently adapted to distinguish the applicant’s Services from the same services offered by others. Further, I am not satisfied that because of the extent to which the applicant has used the marks before the priority date the marks distinguish the Services as being those of the applicant. This is because, as I have explained, the use of the marks before the priority date (which I accept has occurred for the word mark, but not the logo mark) relates to the recruitment of GPs to work at the applicant’s medical centres and the operation of the medical centres as a whole and not the Services.

[emphasis added]

- 37 The appellant challenges all of these findings of fact. Before interfering with any of the Primary Judge’s findings of fact, a court of appeal conducting an appeal by way of rehearing, must be satisfied that the challenged findings are “glaringly improbable” or “contrary to compelling inferences” or shown to be wrong by “incontrovertible facts” or “uncontested testimony”. The possibility that another Judge or more particularly any one of the Judges constituting the appeal court, might or might well have, formed a different view of the contested evidence or might, or might well have, reached different findings open on the evidence to those findings of the Primary Judge also open on the evidence, does not provide a *principled basis* for interfering with the findings of fact of the Primary Judge. So much is made clear from the

observations of the Court (French CJ, Bell, Keane, Nettle and Gordon JJ) in *Robinson Helicopter Company Inc v McDermott* (2016) 90 ALJR 679; 331 ALR 550 at [43].

38 In this context, two further observations from the authorities should be noted. *First*, in *Whittaker v Child Support Registrar* [2010] FCAFC 112 at [2], Keane CJ (as his Honour then was), Moore and Perram JJ said:

On the appeal to this Court, the appellants' submissions on issues of fact proceed, in large part, on the assumption that the issues between the parties remain at large as if they had not been determined by the findings of the learned trial judge. It is not open to this Court to determine issues of fact, *as if* the findings of the learned trial judge had not been made. While this appeal is an appeal by way of rehearing, the Court's function is to *correct errors* in the decision below.

[emphasis added]

39 *Second*, in *Warren v Coombes* (1979) 142 CLR 531, Gibbs ACJ, Jacobs and Murphy JJ; Stephen and Aickin JJ dissenting, set out the relevant principles, which were those discussed by Barwick CJ and Windeyer J in *Da Costa v Cockburn Salvage & Trading Pty Ltd* (1970) 124 CLR 192 (and subsequently in *Edwards v Noble* (1971) 125 CLR 296). The relevant passages are as follows:

The question is not whether the appellate court *can* substitute its view of the facts which, of course, it is empowered to do: but whether it *should* do so. In any appeal against a *finding of fact*, whether or not by way of rehearing, however much the appellate court may be in an equal position with the trial judge as to the drawing of the inferences, in my opinion, the appellate court *ought not to reverse the finding of fact unless it is convinced that it is wrong*. If that finding is a view reasonably open on the evidence, it is *not enough* in my opinion *to warrant its reversal* that the appellate court *would not have been prepared on that evidence to make the same finding*".

...

But, in any case, the appellate court in my opinion is *not bound to reverse* the primary judge's finding of fact *merely because it held a different opinion* to that of the primary judge.

[emphasis added]

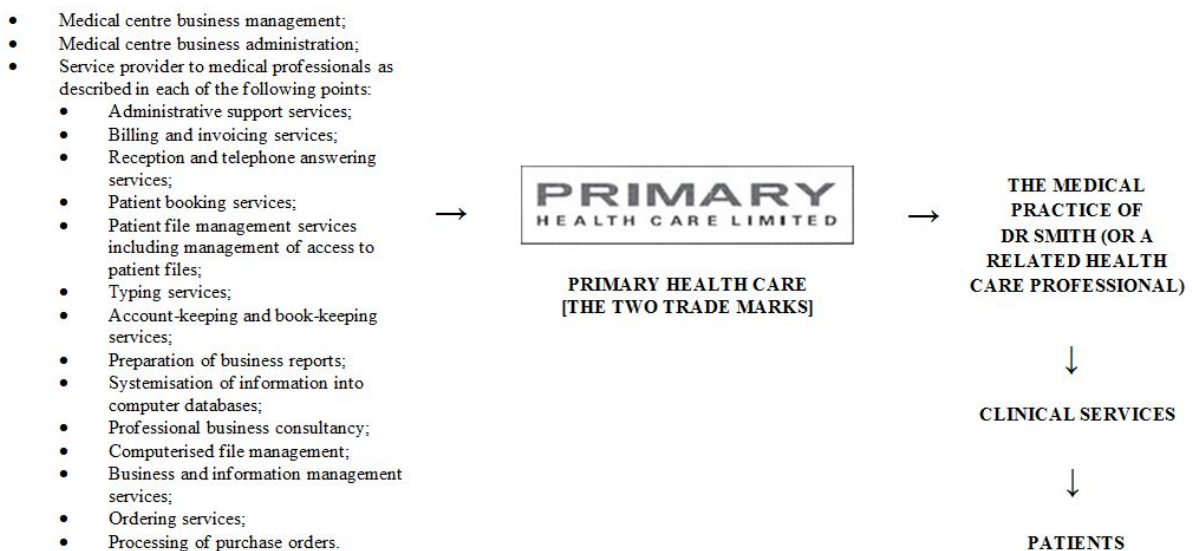
40 The point of almost complete departure between the appellant's own view of the target audience to whom it promotes the "Services" (and those within that target audience to whom it ultimately supplies the Services) and its view of the evidence on that topic, on the one hand, and the assessment by the Primary Judge of the evidence on that topic, on the other hand, can be seen in the Primary Judge's observation at [64] (quoted at [35] of these reasons) that "... no matter how often the applicant repeats it, I am unable to accept that the Services are directed only to GPs and health professionals".

41 I have attributed emphasis to many aspects of the observations of the Primary Judge on this topic quoted at [35] and [36] of these reasons and thus it is not necessary to repeat the detail of the findings of fact in the text of these reasons. It should be noted that the Primary Judge has made a very careful assessment of the evidence said to support the appellant's characterisation of the Services and the other evidence going to that question. I agree with the analysis of the findings undertaken by Rangiah J and his Honour's analysis of the appellant's grounds of appeal in relation to those findings. However, the essence of the appellant's contention is that it says (remembering that this is not the trial) that the Primary Judge fell into error by rejecting the appellant's characterisation of its Services as services provided only to medical professionals and other related health professionals. The appellant says that the Primary Judge was simply wrong to treat the appellant's characterisation of its Services as a *misconception* affecting the entirety of the appellant's case at trial.

42 At [61], the Primary Judge found that one aspect of the appellant's misconception of its case is the notion that the appellant is in the *business* of "providing the Services to health professionals". The Primary Judge found that the evidence supported a conclusion that the appellant, in fact, is in the *business* "of operating medical centres" to which it recruits General Practitioners and, as part of a set of activities forming part of that business, it provides the Services to health professionals (General Practitioners and other health professionals) who have contracted to work from one of the appellant's medical centres. The Primary Judge accepted that it was not in issue at the trial that the appellant's particular business model involves marketing to, and recruiting of, General Practitioners to work in any one of its 71 medical centres and that, in substance, the appellant "sells a form of practice", according to the appellant's business model, to General Practitioners. Also, the Primary Judge accepted that the *thrust* of the appellant's marketing is that it pays General Practitioners for their practice and then provides those practitioners with a suite of services in consideration of being paid a fee calculated as a percentage of the patient billings. Moreover, the Primary Judge observed that she had no doubt that the *thrust* of the applicant's "marketing" had been, and was intended to be, directed to General Practitioners and allied health professionals rather than the public. The Primary Judge accepted that the references by the appellant, to itself, in its dealings with "the public" seemed to be "relatively few and far between" compared to the thrust of its continuing activity to recruit General Practitioners to its medical centres. Nevertheless, the Primary Judge concluded that by focusing on the Services occurring within each of the medical centres at which patients receive clinical care, the appellant has "created specifications" in which many

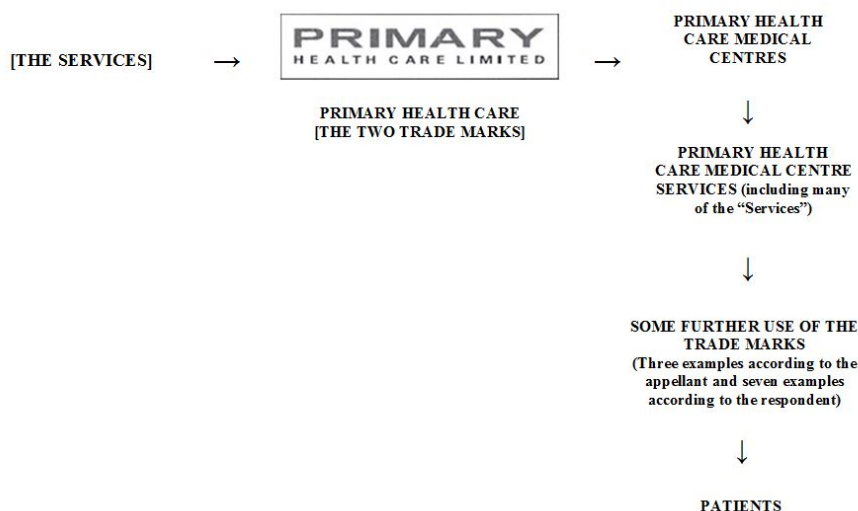
of the Services are services provided to, not merely the General Practitioner, or relevant health care professional, but are “indivisible from or integral to” the provision of clinical care by the GP or other health professional: PJ at [67], [68] and [118].

43 The way in which, put simply, the appellant structurally views what it does, so far as patients/members of the public are concerned, is illustrated in the diagram below:



[THE SERVICES]

44 The Primary Judge, put simply, found that the provision of the Services was along the following lines:



45 Under the model at [43] of these reasons, there is a bilateral relationship between the appellant and Dr Smith in which the appellant provides the suite of Services to Dr Smith so as to enable Dr Smith to provide (his or her) clinical services to patients. The trade marks are said to be

used in the course of that bilateral relationship as a badge of origin to distinguish the identified Services dealt with or provided in the course of trade in the Services by the appellant from, put simply, back office enabling services provided by any other provider of such services. In other words, the appellant contends that the evidence demonstrates that there is discrete separation between the Services provided by the appellant to the medical practitioner under and by reference to the trade marks, on the one hand, and the provision of clinical services by Dr Smith to patients of Dr Smith, on the other hand.

46 Under the model at [44], the Primary Judge found, on the facts, that the appellant *operates* 71 medical centres. Those Primary Health Care medical centres are places at which patients can and do access a range of Primary Health Care services provided by each of the medical centres, that is, provided by the appellant. Some at least of the medical centres (maybe three, maybe seven) are badged “Primary Health Care”. At these medical centres, the patients can and do obtain clinical services from a General Practitioner. Other health care professionals can and do provide their services to patients attending some or all of the appellant’s medical centres. Under the model at [44], the patients engage with the medical centre operated by the appellant. They engage with the appellant because the appellant is in the business of operating each medical centre. In order to operate a medical centre with clinical officers and other staff, it is essential to have a General Practitioner onsite to provide diagnostic and other clinical medical services. Otherwise, there is no point to being in the business of operating medical centres and trying to engage with citizens in the operation of a Primary Health Care facility or centre or clinic. Some or all of the centres have a related health care professional onsite.

47 The appellant, however, does not provide the professional services to patients of each medical centre. The patients engage with and are treated by the General Practitioner and so too patients engage with and are treated by the related health care professional. In other words, the business model and manner of operation of each medical centre contemplates a direct relationship between the General Practitioner or other health care professional and the patient, in the provision of *clinical* services.

48 In order to both operate each medical centre and support the clinicians working at each centre, the appellant deploys the Services at each medical centre. Some of the Services are essential to the operation of a medical centre. Others are more enabling of the work of the clinicians operating out of each medical centre. In the model at [44], as found, all of the Services are deployed by the appellant in and in connection with the operation of each medical centre. Each

medical centre provides services to patients attending each of the appellant's medical centres. Some of the services provided to a patient attending one of the appellant's medical centres, or seeking to attend one of its medical centres (having conducted a search online of "Primary Health Care" to identify a location for one of the 71 medical centres or otherwise having contacted one of the Primary Health Care medical centres), includes these services:

- Reception and telephone answering services;
- Patient booking services;
- Patient file management services including management of access to a patient's files;
- Billing and invoicing services;
- Typing services.

49 However, as well, in order to operate a medical centre, the appellant deploys administrative support services; all of the services described at [48]; account-keeping and book-keeping services; preparation of business reports; systemisation of information into computer databases; computerised file management; business and information management services; ordering services; and processing purchase orders. It necessarily undertakes medical centre business management and medical centre business administration. Some of these services are provided to the General Practitioner and any other health care professional providing clinical services at one of the centres. Most of the services are integral to the business of operating 71 medical centres. Other parts of the services are more directly provided to the patients of each medical centre as well as the General Practitioner and the related health care professional. Each patient, however, is also the beneficiary of what would, no doubt, be said to be the efficient operation of the business of conducting 71 medical centres.

50 It can be seen from this description of the services and aspects of the segmentation of those services that all of them fall within the scope of the Services the subject of the application for registration of each trade mark in issue.

51 There can be no doubt that the findings of the Primary Judge were open on the evidence.

52 The appellant, in effect, seeks to set aside the findings of the Primary Judge and have them replaced with fresh findings undertaken by the Court in the exercise of the appellate jurisdiction. The findings of the Primary Judge are neither glaringly improbable nor contrary to compelling inferences nor shown to be wrong by incontrovertible facts or uncontested testimony.

53 A particular difficulty is that the appellant has failed to maintain any analytical integrity in the *discrete role* to be played by each trade mark in respect of each of the Services. The appellant wants to say that it only provides bilateral Services, as described, to General Practitioners and other health care professionals by reference to the badge of origin of those Services in the form of each trade mark. However, the appellant, in fact, operates 71 Primary Health Care medical centres and in doing so the appellant associates, in part at least, the trade marks with its business of operating the medical centres.

54 Thus, the trade marks do not, in fact, distinguish the appellant as the provider of the Services to a General Practitioner or other health care provider, from the services of others. By the manner in which the appellant conducts its 71 medical centres, each trade mark has lost its essential bilateral role. In addition, use of each trade mark conveys the impression, due to the connotation earlier described, that the appellant is the *provider of first level or first contact health care* when, in fact, the one service that Primary Health Care Limited does not provide to patients of its 71 Primary Health Care medical centres is clinical services.

55 Ground 3 of the appeal is not made out.

56 Returning to s 43, use of the trade marks, having the connotation earlier described, in relation to the Services, would be likely to deceive or cause confusion for the reasons indicated at [54] of these reasons.

57 Apart from the observations I have expressed in relation to s 43; my concurrence with the views expressed by Rangiah J concerning ss 41 and 42; the observations I have expressed concerning Ground 3 of the appeal, I otherwise agree with the observations of Rangiah J on all other issues including his Honour's more detailed observations concerning Ground 3.

58 On the final day of the hearing of the appeal, the applicant/appellant handed up a "drafting option" setting out how the Court might go about limiting, if the Court was minded to do so, the appellant's mode of use of the trade marks. On the final day of the hearing the appellant was directed to put on submissions identifying the basis upon which the Court ought to take into account the proposed limitation. In those submissions, the appellant said that it had, on reflection, framed a "more appropriate form of limitation on user" so as to "make plain" the restriction on the mode of user of the trade marks at the appellant's 71 medical centres.

59 The proposed condition is in these terms:

The applicant will not use the mark[s] at the applicant's medical centres in respect of

the services in the specification in any way that may be seen or heard by patients, members of the general public, or other persons in the health sector who are not medical professionals.

60 The appellant says that the proposed condition would limit not only the monopoly sought by it but also its permitted use of the marks. The appellant says that the proposed condition restricting its use of each trade mark is capable of removing any reasonable possibility that the applicant's use of either mark would be likely to deceive or cause confusion or be misleading or deceptive. The appellant says that the grounds of opposition under s 42(b) and s 43 of the TM Act would then no longer present an obstacle to registration. The applicant submits the proposed condition for the Court's consideration and says that it would be within the Court's power to impose a differently worded condition.

61 A similar set of circumstances emerged at the hearing before the Primary Judge.

62 At [72], the Primary Judge observes that on the last day of the hearing the applicant proposed an amendment to the specification of the Services so as to provide that the medical centre business management services and the medical centre business administration services would each have the words "to medical professionals" added to those phrases. In addition, the applicant before the Primary Judge suggested that the following words would also be adopted in the specification of the Services: "none of the aforementioned services being medical care by medical professionals to patients".

63 After the hearing before the Primary Judge, pursuant to leave, the applicant proposed two further amendments to the specification of the Services and in each of the new options (Option B and Option C), the applicant recited further words of qualification and, as to Option B, an endorsement containing a limitation on the provision of the services and, as to Option C, a disclaimer reflecting a particular form of limitation.

64 All of this seems to have come at the last minute (and after the last minute) before the Primary Judge.

65 At [79], the Primary Judge said this:

79 It will be apparent that the intention of the amendments is to prevent the applicant from having any exclusive right to use the marks in a manner which will be seen by any member of the public attending one of the applicant's medical centres. There are a number of difficulties with the proposed amendments.

66 At [80], the Primary Judge explained some aspects of the difficulties contemplated at [79].

67 At [81], the Primary Judge said this:

81 The amendments, accordingly, make *no material difference* to the *actual nature* of the Services as they in fact *exist* and are *performed*. If the amendments do anything, it is to introduce an unacceptable ambiguity into the definition of the Services which cannot be assumed to *confine* the Services in the way the applicant wishes.

[emphasis added]

68 The appellant says that once the Primary Judge found that the grounds of opposition under ss 42(b) and 43 were established, her Honour erred in failing to consider whether the marks could nevertheless proceed to registration with conditions or limitations as proposed to the Primary Judge. This contention is Ground 4 of the grounds of appeal.

69 Now, the appellant has formulated and submitted on the last day of the appeal a proposed condition of limitation. The Court has also now received as part of the supplementary submissions another version of a proposed condition as set out at [59] of these reasons. The appellant says that the Full Court has power under s 197(e) of the TM Act and under s 28(1)(b) of the *Federal Court of Australia Act 1976* (Cth), to “make such order, as, in all the circumstances, it thinks fit, or refuse to make an order”.

70 The difficulty is that Ground 4 of the grounds of appeal is concerned with whether the Primary Judge erred in concluding that none of the proposed three options made any material difference to the “actual nature” of the Services as they were found to “exist” and found to be “performed”, particularly having regard to the findings at [61] to [68], and the “unreal distinction at the heart of the applicant’s case” as described at [119] of the Primary Judge’s reasons: see also the remarks at [166]. None of options A, B or C put to the Primary Judge would alter the fact, as found, that the appellant was not and is not in the business of providing discrete bilateral Services, as specified, to General Practitioners and related health care professionals under and by reference to the trade marks, but rather, the appellant is in the business of operating medical centres at which the Services are deployed in the way earlier described which directly engages patients and members of the public who may or may not become patients of one of the appellant’s 71 medical centres. In other words, none of options A, B or C would make any material difference once the business model was that reflected at [44] of these reasons.

71 Moreover, because each trade mark failed to satisfy the elements of s 17 and s 41, none of options A, B or C could have saved the trade marks from the statutory imperative of rejection. There is no error in the treatment by the Primary Judge of the options put to her.

72 Now, the Full Court is invited to consider the curative possibilities in the newly proposed limitation.

73 The new limitation provides for non-use of each trade mark *at* the appellant's medical centres, in respect of the Services, in any way that may be *seen* or *heard* by patients or members of the public or other persons in the health sector who are not medical professionals. The proposed limitation does not address the fundamental difficulty, as found, that the services are integral to the appellant's operation of the 71 Primary Health Care medical centres and that, as found, the distinction sought to be made by the appellant that it uses the trade marks as a badge of origin of the appellant's Services in the bilateral provision of those Services to General Practitioners and other health care professionals, was *misconceived* and *unreal*. Rather, as found, the appellant provides the Services in a multilateral way as a bundle of services provided to General Practitioners, other health care professionals, patients, members of the public (potential patients) and other medical practitioners in the overall conduct and operation of 71 Primary Health Care medical centres.

74 In any event, the limitation does not postulate any non-use in relation to websites, electronic communications or other mechanisms by which the appellant as operator of 71 medical centres would seek to engage with General Practitioners, other health care professionals, patients, members of the public (potential patients) and other medical practitioners from time to time.

75 It is not at all clear to me that adopting the proposed restrictions on non-use would bring about the result that the connotation the marks have would no longer be likely to deceive or cause confusion amongst reasonable members of the cohort engaging with the appellant in the multilateral way described. Thus, I am not satisfied that the difficulties arising under s 43 are addressed by the proposed restriction. Nor am I satisfied that the proposed restriction would answer the difficulties arising under s 42.

76 Therefore, for my part, I would not be willing to exercise any power to impose the proposed condition.

77 Accordingly, the application for leave to appeal ought to be granted, as proposed by Rangiah J and the appeal ought to be dismissed with an order that the appellant pay the respondents' costs of the application for leave to appeal and the appeal.

KATZMANN J:

78 I have had the benefit of reading the reasons of Rangiah J. I agree with the orders his Honour proposes. I also agree with his Honour that the challenges to the judgment covered by grounds 3–10 and 14 of the notice of appeal, capturing the findings with respect to the grounds of opposition under ss 41 and 42 of the *Trade Marks Act 1995* (Cth), must fail. In these respects, broadly speaking, I agree with his Honour’s reasons. I wish to make some additional observations, however, first about the s 41 ground, specifically in relation to the appeal against the primary judge’s approach to s 41(3), and secondly in relation to the applicant’s proposed limitation to restrict the mode of use of the trade marks.

79 I respectfully disagree with his Honour’s conclusion concerning the s 43 ground of opposition.

The ordinary signification of “primary health care”

80 This is the subject of grounds 5 and 6 of the notice of appeal. It relates to the s 41 ground of opposition.

81 The question with which s 41(3) is concerned is the extent to which the trade mark is inherently adapted to distinguish the goods or services in respect of which the trade mark is sought to be registered with the goods or services of another person. The answer depends on “the ordinary signification” of the mark at the time the applicant filed its application for registration of the mark, that is to say, what the mark would have meant to “anyone ordinarily purchasing, consuming or trading in the relevant goods”: *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2014) 254 CLR 337 at [28], [30], [70], [71].

82 The applicant submitted that the expression “primary health care” has no ordinary meaning or, at least, that it had no ordinary meaning at the priority date (6 October 2009). Its general manager, Henry Bateman, deposed that he was unaware at that time that it had the meaning for which the respondents contended, had never heard the term used in this way, and had caused searches to be conducted of three “Standard English” dictionaries — the Macquarie, the Collins, and the Oxford — and none of them defined “primary health care”.

83 It does not appear that issue was taken with this latter proposition. The fact is, however, that both “primary health care” and “primary care”, which are listed as synonyms, have appeared in one of the Oxford dictionaries (the Oxford Dictionary of English, second edition, revised) since at least 2005 and their meaning conforms to the meaning given to “primary health care” by the primary judge. The definition of “primary care” is:

primary care (also **primary health care**)

noun [mass noun] health care provided in the community for people making an initial approach to a medical practitioner or clinic for advice or treatment.

84 Even if Mr Bateman’s evidence is taken at face value, it is of no consequence. The term “health check” does not appear in the dictionary. Nor, for that matter, does “ham sandwich”. Each term, however, has an ordinary meaning. “Primary health care” is a composite expression. Like “health check” and “ham sandwich”, the ordinary meaning of the composite expression “primary health care” is derived from the meaning of its component parts.

85 The applicant further submitted that evidence to the effect that the expression was not widely understood by the public meant that it had no ordinary meaning. This submission must also be rejected. It is a non sequitur. That an expression may not be widely understood does not mean that it has no ordinary meaning. In *Eutectic Corporation v The Registrar of Trade Marks* (1980) 32 ALR 211; 1A IPR 550, cited with apparent approval by Gageler J in *Cantarella* at [91], Rogers J accepted that the word “eutectic” was not in ordinary use by members of the community, that most users of the applicant’s goods did not know or had forgotten its meaning, and there was no evidence of its use by other traders. Nevertheless, he found that it was an English word and a basic term in metallurgy, meaning melting at low temperature or melting readily. He concluded at 220 that as long as “there remains a need and use for that word by other traders in an honest description of their goods and the word retains its primary and technical meaning, it should remain free in the public domain”, citing *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514. Accordingly, he dismissed an appeal from a decision refusing to register the word as a trade mark in respect of certain goods for welding, soldering and brazing.

86 In the present case there was, in any event, evidence to the effect that medical practitioners understood that “primary health care” was, as her Honour found, “first level” or “first contact” health care. Despite the professed ignorance of his son, the evidence indicated that the name was chosen by the applicant’s founder, Dr Edmund Bateman, because it “reflected the services that would be available to patients attending the centres” (see the primary judge’s reasons at [44]).

87 The applicant contended, however, that it was important to have regard to the context in which the expression was being used. In other words, “primary health care” could mean first level or first contact health care but not when used to refer to the applicant’s business. I accept that

there are many words with multiple ordinary meanings in which context will determine which meaning is apposite. Here, however, we are not concerned with a term that has multiple ordinary meanings but with the appropriation of an expression with an ordinary meaning for an extraordinary application: as a trade mark in respect of the designated services. As the primary judge observed (at [103]), the fact that a number of medical practitioners testified that, depending on the context, they would understand that the expression “primary health care” referred to the applicant as a corporate entity, does not affect its ordinary signification. Rather, the evidence indicates that, by repute, “primary health care” has acquired a secondary meaning. In the same way, there is only one ordinary meaning of “dove”, even though the word has been appropriated as a brand name for soap and related goods, and “poison” does not ordinarily mean perfume even though it may be known as a brand (or sub-brand) of perfume. The fact that a term has acquired a secondary meaning through use or by repute is not relevant to the question of whether it is inherently adapted to distinguish an applicant’s goods or services. “Inherent adaptability” “depends on the nature of the trade mark itself” and “cannot be changed by use or otherwise”: *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417 at 424 (Gibbs J).

88 The applicant also submitted that the primary judge fell into error by approaching the question of the ordinary signification of “primary health care” by first considering what the expression meant to those involved in public policy. I agree with Rangiah J that it was not an error to take this matter into account. Further, although the primary judge first considered what the expression would signify to doctors and others involved in public policy, I do not accept that the primary judge gave the matter any greater consideration than it warranted.

89 Her Honour began in this way in order to dispose of an argument she understood the applicant to have made, based on a Commonwealth Department of Health publication. Moreover, she did not stop there. It is clear from her Honour’s reasons that she was concerned to determine what the expression would mean to all purchasers and consumers of the applicant’s services, including general practitioners.

90 There appear to have been two limbs to the applicant’s argument. The first was that, as at the date of the Department of Health publication (which was shortly before the priority date), “primary health care is a term that [was] not widely used or even understood”. The second was that the meaning of “first level” or “first contact” care was restricted to those involved in public policy.

91 The primary judge rejected the first limb of the argument (at [92]) and pointed out (at [93]) that the evidence upon which the applicant relied contained “consistent references to the core meaning of first level or first contact health care”. Her Honour certainly referred to evidence from doctors involved in public health policy. But that evidence included evidence from one doctor (Dr Hobbs, Principal Medical Adviser to the Commonwealth Department of Health), the effect of which was that he had long understood that primary health care means “first level care”. He said that he knew it from his time as an undergraduate medical student in the 1970s, during the 23 years he spent in general practice, and while he worked in hospitals and for government. Another witness was Professor Harris, Foundation Professor of General Practice (since 1990) and (since 2003) Executive Director of the Centre for Primary Health Care and Equity at the University of New South Wales. The following extract from his affidavit appears in her Honour’s reasons:

Based on my qualifications, experience and expertise outlined above and in my curriculum vitae...and my review of the literature from the relevant time period referred to above, by 1994, I am of the opinion that “Primary Health Care” was a broad term which was used in the literature to denote **a segment or level of health care which most people use** and a broad approach towards equity of access, prevention and health promotion and community participation and engagement.

...

As a result of my qualifications, experience and expertise referred to above and my review of the literature during the relevant time period referred to above, **I understood the term “primary health care” as at 6 October 2009 to mean a segment or level of health care which most people use** and a broad approach towards equity of access, prevention and health promotion and community participation and engagement. This reflects my understanding of the literature and its common use by researchers and practitioners in Australia and internationally. It is my view that the opinions expressed in the literature and my view were also held by general practitioners and others in the health sector as at 6 October 2009. This is based on the publication of the terms in journals and other documents widely read by health professionals in Australia and promoted by governments.

(Emphasis added.)

92 Her Honour proceeded to dismiss the applicant’s submission that (as at the priority date) there was no singular or clear meaning of the phrase “primary health care” to those involved in public health policy. She explained why at [100]:

Thus far I have confined my observations to the area of public health policy. The applicant’s case appeared to rest on a belief that there exists a clear dividing line between what it characterised as the “narrow” area of public health policy and the broader provision of clinical services. I do not consider that this distinction will bear too much weight. Although I am prepared to accept that some people working within health care have a focus on public health policy issues, in one sense, all GPs in

Australia (if not all nurses, physiotherapists and others providing the first level of health care) work within the public health sector and thus are, to some extent at least, concerned with public health policy. To take GPs as the most prominent example (it being the case that the medical centres operated by the applicant or Idameneo [a subsidiary of the applicant] are centres from which GPs work), the other health professionals being allied to or supportive of that central service, it is plain that to describe a GP as being in “private practice” is an incomplete description because the Australian health care system means all GPs are trained within, regulated by and routinely interact with the national (that is, public) health care system.

93 Dealing with the second limb of the applicant’s argument, her Honour emphasised (at [102]) that the understanding of the respondents’ witnesses was informed by “their experience of the use of the phrase” in “both academic and clinical settings”. She described as fallacious the applicant’s contention that “primary health care” is a recent invention confined to those involved in public health policy. Indeed, as her Honour went on to observe, only one of 12 general practitioners who gave evidence for the applicant claimed to be unaware of the “first level health care” meaning of “primary health care” before the priority date. Furthermore, she pointed out that the applicant’s own prospectus (from May 1998) referred to “the primary care industry”, that the founder of the company adopted the corporate name because, amongst other things, it “reflected the services that would be available to patients attending the centres”, and that the General Practitioner Conference and Exhibition, which the applicant sponsors, is “consistently described as Australia’s ‘primary health care event of the year’”.

94 Having disposed of the applicant’s argument and having concluded that general practitioners (the alleged target audience of the designated services) would have understood the expression “primary health care” to mean “first level” or “first contact” care, her Honour went on to find that, having regard to the ordinary meaning of the words making up the expression, a substantial number of people seeking access to health care at the priority date would have had a similar understanding.

95 The applicant maintained that the target audience does not include patients because the designated services are only marketed to medical professionals. For the reasons given by Rangiah J, I see no error in the primary judge’s conclusion that the designated services are provided to both medical professionals and patients.

96 The last matter upon which I wish to comment is the proposition advanced by the applicant that the expression “primary health care” was not a direct reference to the designated services but an allusion (to services provided by the health care professionals working in the centres where the designated services are provided) and the corresponding argument that the primary

judge erred by treating it as a direct reference. The significance of the proposition and its derivation can be gleaned from the judgment of the plurality in *Cantarella* at [35]–[44]. Referring to *In re Joseph Crosfield & Sons Ltd; In re California Fig Syrup Co; In re H N Brock & Co Ltd* [1910] 1 Ch 130 (CA) (dealing, respectively, with three word marks — “PERFECTION”, “CALIFORNIA SYRUP OF FIGS”, and “ORLWOOLA”), the plurality in *Cantarella* observed at [39]:

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

(Citations omitted.)

- 97 The use of the words “North Pole” for bananas was suggested by counsel for the respondents in *A Baily & Co v Clark, Son and Morland* [1938] AC 557, a case about the registrability as a trade mark of the word “Glastonburys” in connection with sheepskin goods made by a business conducted in the town of Glastonbury. Picking up on that suggestion, Lord Maugham LC said that using the words “North Pole” as a trade mark in connection with bananas would be using a geographical name dislocated or disconnected from the origin of the goods so that, in effect, it is not a geographical name but a fancy name.
- 98 The primary judge did not find that the expression “primary health care” was a direct reference to the designated services. Her Honour found that it was (and is) “a direct description of the activity of which the Services form part”. She said that “every GP and every medical centre is providing primary health care and, in so doing and in one way or another, is performing or having performed the Services to enable that provision”. That at least some of the designated services are part of primary health care is illustrated by the fact that medical practitioners have a legal obligation to keep medical records which, as one of the witnesses, Dr O’Donoghue, testified, “would require a sophisticated administrative system and the ability to store and retain records for a long period of time”.
- 99 At the priority date, the *Medical Practice Regulation 2008* (NSW), for example, required that (with certain exceptions which are presently irrelevant) a registered medical practitioner or

medical corporation engaged in the provision of medical services must, in accordance with Pt 2 and Sch 1, make and keep a record, or ensure that a record is made and kept, for each patient of the practitioner or corporation: reg 4(1). The record had to be kept for at least seven years from the date of the last entry or, in the case of a patient who was a minor at that date, until the patient reached (or would have reached) the age of 25: reg 6. All reasonable steps had to be taken to ensure that the records were kept “in such a manner as to preserve the confidentiality of the information that is contained in them and to prevent them from being damaged, lost or stolen”: reg 8.

100 The primary judge held that “the existence of, and ability to access”, “proper records of treatments, prescriptions and referrals” is “very closely related to, indeed part of, the provision of clinical services”. Of that there can be no doubt.

101 In any case, having regard to the close connection between “primary health care” and the designated services, it could not be said that the expression is dislocated or disconnected from the services so as to be capable of distinguishing them. This is not at all like the application of “North Pole” to bananas.

The s 43 issues: connotation and likelihood of deception or confusion

102 Section 43, it will be recalled, reads:

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.

103 There was no dispute that “connotation” signifies a secondary meaning: see *Pfizer Products Inc v Karam* (2006) 219 FCR 585 at [53]. A “connotation” in the proposed trade mark must be identified before the section is engaged: *McCorquodale v Masterson* [2004] FCA 1247; (2004) 63 IPR 582 at [25] (Kenny J) citing *T.G.I. Friday’s Australia Pty Ltd v TGI Friday’s Inc* (2000) 100 FCR 358 at 365.

104 The applicant argued that “primary health care” had no secondary meaning (and therefore no connotation) because its ordinary meaning is the applicant as a supplier of the designated services. Alternatively, the applicant argued, since the primary judge found (at [85] and [99]) (in connection with the s 41 ground of opposition) that the ordinary meaning of the expression “primary health care” was “first level or first contact health care”, then that must be the *denotation* of the mark; it could not be a *connotation* for the purposes of s 43. It follows, so

the argument ran, that the connotation must be of an association with the applicant as an operator of medical centres and as a provider of the designated services. In that event, there could be no likelihood of deception or confusion.

105 I reject both arguments. As to the first, for the reasons given by Rangiah J and the additional reasons set out above, I am not persuaded that the primary judge erred in holding that the ordinary signification of “primary health care” was “first level or first contact health care”. The alternative argument is flawed for two reasons.

106 First, the applicant relies on the primary judge’s finding as to the ordinary signification of the words comprising the trade mark. That finding was made for the discrete purpose of answering the question posed by s 41(3). That question is anterior to the ultimate question posed by s 41 (whether the mark is capable of distinguishing the applicant’s goods or services). Sections 41 and 43 serve two different, though not unrelated, purposes. It is a mistake to deploy a finding made in answering one statutory question to answer an altogether different statutory question.

107 Second, the effect of the applicant’s argument is that the ordinary meaning of a trade mark or a sign within it cannot be a “connotation” for the purposes of s 43. If that were so, then a mark which is inherently deceptive by reason of its ordinary meaning (or one of several ordinary meanings) could be accepted for registration. Despite the change of language, having regard to the legislative history and purpose, the extrinsic material, and considering the Act as a whole, it is highly unlikely that Parliament intended such a result.

108 The first definition of “connotation” in the Oxford English Dictionary is: “the signifying in addition; inclusion of something in the meaning of a word besides what it primarily denotes; implication”; “that which is implied in a word in addition to its essential or primary meaning”. This is the meaning adopted by Kenny J in *McCorquodale* at [26]. Her Honour did not refer to the definition in the Macquarie Dictionary but the definition is similar.

109 The first meaning the Macquarie Dictionary gives to the verb “connote” is “to denote secondarily, signify in addition to the primary meaning; imply”. The noun “connotation”, however, is given a broader meaning:

1. the act or fact of connoting.
2. that which is connoted; secondary implied or associated meanings (distinguished from denotation): the word ‘bum’ has connotations of vulgarity.

110 A “denotation”, according to the Macquarie Dictionary is:

1. the meaning of a term when it identifies something by naming it (distinguished from *connotation*).
 2. the act or fact of denoting; indication.
 - 3. something that denotes; a mark; symbol.**
 - ...
- (Emphasis added.)

111 Plainly, if “connotation” in s 43 is to bear its ordinary meaning (and the respondents did not argue otherwise), then a distinction is to be made between the denotation of the mark and its connotation. The applicant contended that the primary judge failed to make the distinction because she failed to identify the denotation of the mark in her analysis under s 43. That contention is wrong. While her Honour determined that the ordinary signification of “primary health care” was “first level or first contact health care”, she did not adopt this as the denotation for the purpose of s 43 and treat it as the connotation, too. At [163] of her reasons, the primary judge expressly approved of the approach taken by the Registrar’s delegate, that the denotation of “Primary Health Care” in this context is as a trade mark denoting a connection between the applicant and its medical centres. In my respectful opinion, subject to the qualification that “Primary Health Care” denotes a connection between the applicant and the designated services (rather than a connection between the applicant and its medical centres), her Honour was correct to do so. Her Honour went on to hold (at [164]) that the connotation in the marks is that the applicant provides “first level or first contact health care”.

112 The same approach has been taken in a number of other decisions in the Trade Marks Office: see, for example, *Westchester Media Company, LP v Australian Polo Magazine Pty Ltd* [2000] ATMO 100; *Griffin Pastoral Co Pty Ltd v Ralph Fowler Wines Pty Ltd* [2005] ATMO 71; (2005) 68 IPR 171; ***Spagnuolo v Mantra IP Pty Ltd*** [2010] ATMO 110; (2010) 90 IPR 413; and ***Mount Everest Mineral Water Limited v Himalayan Spring Mineral Water Pty Ltd*** [2010] ATMO 85; (2010) 89 IPR 419. Although there was a successful appeal in *Spagnuolo (Mantra IP Pty Ltd v Spagnuolo)* (2012) 205 FCR 241, the delegate’s interpretation of the section was not criticised or called into question. Certainly there is nothing in the judgments to which the Court was taken (*McCorquodale* and *Pfizer*) to suggest that this was an erroneous approach to the section.

113 The connotation with which s 43 is concerned is a meaning secondary to that which is denoted by the subject of the application to the Registrar. In other words, the section is concerned with whether the mark the subject of the application (or a sign contained in the mark) connotes

something other than a connection in the course of trade between the relevant goods or services and the person who applied (or intended to apply) it to those goods or services.

114 This construction of s 43 is supported by contextual considerations.

115 I begin with the legislative history.

116 Gyles J observed in *Pfizer* at [52] that s 43 does not have a long pedigree. It is true that neither the *Trade Marks Act 1955* (Cth) nor the *Trade Marks Act 1905* (Cth) contained a provision in the same terms. Indeed, the word “connotation” did not appear in Australian trade mark law before the 1995 Act. Nevertheless, I respectfully disagree with his Honour’s observation. The ancestral line, so to speak, of s 43 can be traced back to the 1905 Act, if not earlier.

117 The Registration of Trade Marks Act 1875 (UK), which established a register of trade marks in the United Kingdom, declared it to be unlawful to “register as part of or in combination with a trade mark any words the exclusive use of which would not, by reason of their being calculated to deceive or otherwise, be deemed entitled to protection in a court of equity, or any scandalous design” (s 6).

118 The following year the Victorian Parliament passed *The Trade Marks Registration Act 1876* (Vic), s 8 of which included the following statement:

It shall not be lawful to register as part of or in combination with a trade mark any words the exclusive use of which would not by reason of their being calculated to deceive or otherwise be deemed entitled to protection in a court of equity; or any scandalous designs.

119 In *Dunn’s Trade Mark* (1890) 7 RPC 311 at 318 (HL) Lord Macnaghten observed that:

Ever since courts of equity have interfered to protect traders in the exclusive use of marks and words, which they have lawfully appropriated for the purpose of distinguishing their goods, it has been an established principle that this protection is not to be extended “to persons whose case is not founded in truth”.

120 His Lordship held that registration should not be granted to “words which involve a misleading allusion or a suggestion of that which is not strictly true, as well as words which contain a gross and palpable falsehood”.

121 Section 11 of the Trade Marks Act 1905 (UK) provided that:

It shall not be lawful to register as a trade mark or part of a trade mark any matter, the use of which would by reason of its being calculated to deceive or

otherwise be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

(Emphasis added.)

122 Thus, in *In re H N Brock & Co Ltd (Orlwoola)*, Fletcher Moulton LJ, referring to the trade mark “ORLWOOLA” (which was registered under the 1875 Act with respect to woollen goods) held on an application to remove the mark from the register that, because “all wool” could not be registered according to s 11 of the 1905 Act, neither could “ORLWOOLA”, containing as it did the homophone “orlwool”. His Lordship held, in a passage cited by the delegate in *Mount Everest* at [9]:

If the goods are wholly made of wool, the words are the natural and almost necessary description of them. If they are not wholly made of wool, it is a misdescription which is so certain to deceive that its use can hardly be otherwise than fraudulent. In either case the words are utterly unfit for registration as a trade mark.

123 In *In re Joseph Crosfield & Sons Ltd* the Court dismissed an appeal from a judgment in which registration of the word mark “PERFECTION” was refused: Farewell LJ said at 153 that the trade mark PERFECTION was calculated to deceive because the registration of “a mere laudatory word” could well mislead thousands of poor people who buy the soap into thinking that the Board of Trade had inquired into the merits of the soap and was satisfied that it was perfection. In the *Orlwoola* case at 155, Farewell LJ, like Fletcher Moulton LJ, held that, as spoken, not only was the mark not adapted to distinguish woollen goods of the trade mark owner but it was also calculated to deceive and for this reason, too, should be removed from the register.

124 Section 114 of the *Trade Marks Act 1905* (Cth) was in similar terms to the UK Act of the same year:

No scandalous design, and **no mark the use of which would by reason it its being likely to deceive** or otherwise be deemed disentitled to protection in a court of justice, or the use of which would be contrary to law or morality, **shall be used or registered as, a trade mark or part of a trade mark.**

(Emphasis added.)

125 This became s 28 of the *Trade Marks Act 1955* (Cth). It provided that:

A mark:

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

- (c) which comprises or contains scandalous matter; or
 - (d) which would otherwise be not entitled to protection in a court of justice;
- shall not be registered as a trade mark.**

(Emphasis added.)

126 The substance of paras (b) and (c) now appear in s 42 of the 1995 Act. Paragraph (a) is captured by ss 43 and 60, as Branson J observed in *Registrar of Trade Marks v Woolworths* (1999) 93 FCR 365 at [79]:

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.

127 Section 42 of the *Trade Marks Act 1994* (Cth), which was never proclaimed, read as follows:

- (1) An application for the registration of a trade mark must be rejected if:
 - (a) the trade mark contains or consists of scandalous matter; or
 - (b) its use would be contrary to law or would not be entitled to protection in a court;
- (2) An application for the registration of a trade mark in respect of particular goods or services must be rejected if the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion regarding:
 - (a) the nature, quality, origin, intended purpose, or some other characteristic, of the goods or services; or
 - (b) any connection or relationship that they may have with any particular person.

128 In *Pfizer* at [52] Gyles J expressed the opinion that the final form of s 43 in the 1995 Act is “a wider version” of s 42(2) but “with a similar purpose”. I respectfully agree.

129 The background to the introduction to the current Act is summarised in the Explanatory Memorandum to the *Trade Marks Bill 1995* (Cth):

The Bill derives from an exposure draft of the Trade Marks Bill 1994 which the Government released and invited public comment on in February 1994. The 1994 Bill incorporated changes to the trade marks legislation implementing the Government’s response to the July 1992 report of the Working Party to Review the Trade Marks Legislation, *Recommended Changes to the Australian Trade Marks Legislation*.

Before the results of public consultation could be incorporated into the legislation, the Trade Marks Bill 1994 was introduced into the House of Representatives on 21 September 1994 as part of the legislation package necessary for Australia to accept the Agreement Establishing the World Trade Organization. The Trade Marks Act 1994 was enacted on 13 December 1994 but has not yet come into force.

130 The Working Party mentioned in this passage was convened in 1989 to review and streamline the trade marks legislation. In its report, it noted that international developments, including the Uruguay Round of the General Agreement on Tariffs and Trade (known as GATT) and the associated Agreement on Trade-Related Aspects of Intellectual Property Rights (commonly referred to as TRIPS), as well as other international ventures including discussions conducted by the World Intellectual Property Organisation (WIPO) on the harmonisation of trade mark laws, broadened the scope of its activities.

131 The relevant recommendation of the Working Party is to be found in §6A:

The following shall not be registered:

...

(3) signs which, inherently, are likely in use to be deceptive or confusing;

...

132 Clause 43 of the Trade Marks Bill 1995 is in the same form as the enactment. Yet its Explanatory Memorandum states that cl 43 provides that an application for registration must be rejected if the trade mark “because of some signification inherent to it, would be likely to deceive or cause confusion regarding a characteristic of the goods or services”. The origin of the reference to a “connotation” in s 43 is obscure. Not only is it not in the 1994 Bill, it is not mentioned by the Working Party and it does not appear in the TRIPS Agreement. Perhaps the legislative draftsman thought it was synonymous with “signification”. Regardless, I see no reason to conclude that the intention of the Parliament was any different from that suggested by the Explanatory Memorandum.

133 The principal object of statutory construction is to construe the relevant provision so that it is consistent with the language and purpose of all the provisions of the enactment: *Project Blue Sky Inc v Australian Broadcasting Authority* (1998) 194 CLR 355 at [69].

134 As French CJ, Gummow, Heydon and Bell JJ observed in *Health World Ltd v Shin-Sun Australia Pty Ltd* (2010) 240 CLR 590 at [22], the concern of the legislative scheme is with the purity of the Register:

It is a “public mischief” if the Register is not pure, for there is “public interest in [its] purity”. The concern and the public interest, viewed from the angle of consumers, is to ensure that the Register is maintained as an accurate record of marks which perform their statutory function – to indicate the trade origins of the goods to which it is intended that they be applied.

(Footnotes omitted.)

135 Section 43 — like its statutory predecessors — is particularly concerned with that function: ensuring that the mark indicates the trade origins of the goods or services to which it is intended that it be applied, and does not connote something else so as to be likely to deceive or cause confusion.

136 In sum, the “connotation” mentioned in s 43 means a “signification inherent to [the trade mark or a sign contained in the mark]”, secondary to what is denoted by the application, namely, that the mark is a badge of origin of the applicant’s goods or services. It follows that in the present case the denotation is the deployment of the mark to distinguish the designated services of the applicant from those of other traders and its connotation is the provision of first level or first contact health care. It follows that her Honour did not err as alleged.

137 The next question is whether the primary judge erred in holding that, because of this connotation, the use of the marks is likely to deceive or cause confusion.

138 The applicant argued that there could be no risk of confusion *first*, because her Honour had already found that the meaning of “primary health care” amongst health professionals and members of the public depended on the context of its use, *secondly*, because the evidence was that “primary health care is a term that is not widely used or even understood” by most members of the public, and *thirdly* because her Honour found that the applicant does in fact provide primary health care.

139 The first proposition ignores the primary judge’s finding (at [171]) that “the use of the mark in connection with the Services is likely to deceive and cause confusion to any person who is not privy to the applicant’s particular business model”. True it is that the applicant challenges that finding, but there was ample evidence to support it. Moreover, the finding about context was concerned only with the understanding of medical practitioners and only then with those who had given evidence. Even in that case her Honour found (at [105]) (and this finding is not challenged) that all but one of the general practitioners who had given evidence testified that they understood the expression “primary health care” (when not used to refer to first level or first contact health care) to refer to the corporate entity that owns, operates or runs the medical

centres and not to the applicant (merely) as a provider of the designated services. She returned to the point at [114].

140 More importantly, s 43 is concerned with a connotation inherent in the mark itself (see above and also *Pfizer* at [53]). Consequently, reputation is irrelevant.

141 The second proposition takes the evidence out of context, as her Honour pointed out at [116] of her reasons. The evidence, which appeared in government policy documents, was to this effect:

[P]rimary health care is a term that is not widely used or even understood with most people simply distinguishing between the health care they receive in the community and the health care they receive in hospital.

While there are a number of definitions available, including from the World Health Organisation and the Australian Primary Health Care Research Institute, in practice there is no absolute or consistent view about whether particular settings and services are part of primary health care or not.

142 Her Honour observed at [116]:

[W]hen read in context it is apparent that there is no suggestion here that “primary health care” does not mean first level or first contact health care. Nor is it suggested that a member of the public, confronted with the phrase, would not understand this core meaning as a result of the ordinary meaning of each of the words. The health care which people receive in the community is primary health care so the distinction which the report says most people draw in fact accurately reflects the health policy meaning of the phrase. The points being made are first that members of the public, in contrast to those involved in health care, do not think in terms of primary, secondary and tertiary health care and, second, that there is room for debate amongst those involved in health care about whether any particular activity involves primary health care or some other level of care. What reading the documents in context also makes plain is that, whatever the bounds of that potential for debate, the provision of medical services by GPs is a setting involving the provision of primary health care. It is an unequivocal example of the provision of what a substantial number of those involved in the health sector would know involved primary health care.

143 The third proposition must also be rejected. The question at hand is whether the use of the trade mark “*in relation to the ... services*” is likely to deceive or cause confusion. While, as her Honour found, some of the services are integral to the provision of primary health care, so, too, is clinical care, which is outside the scope of the registration. Her Honour disposed of a similar proposition at [174] of her reasons:

I do not accept that there is an “irreconcilable tension” in the respondents’ case. The tension was said to arise because the respondents contend, on the one hand, that the services are part of the provision of primary health care and, on the other hand, that the

applicant does not actually provide first level health care. As the applicant put it, the respondents “cannot have it both ways”. The tension, on examination, does not exist. The point the respondents make is that the Services are an indispensable part of the provision of primary health care but are not, in and of themselves, clinical or medical care. As clinical care is itself an indispensable part of the provision of primary health care, any use of the trade marks in respect of the Services will create confusion on the part of any person not acculturated to the applicant’s particular business model. The confusion will arise because the unacculturated person (be it a GP, a person working in the health system or a member of the public) will assume (wrongly) that the applicant is in fact providing or is otherwise responsible for the clinical or medical care component of the primary health care offered at the applicant’s medical centres, and is not providing merely the Services. In my view, for such a person, this confusion is not merely a real or tangible danger, but almost inevitable given: (i) the ordinary meaning of primary health care, (ii) the close, indeed, essential connection between the Services and the clinical care provided at the applicant’s medical centres, (iii) the artificiality of the distinctions the applicant relies upon, and (iv) the fact that, on the evidence, the Services are but one part of what the applicant actually does at its medical centres (for example, according to the evidence, the applicant provides all equipment used in the provision of health care, as well as nurses who, I infer, would themselves be providing clinical care).

144 It was common ground that the applicant has never provided health care. In the absence of error as to the identification of the consumers of the designated services, the conclusion her Honour reached was inevitable. It is important to remember that the question of whether there is a likelihood of confusion is to be answered, not by reference to the way in which the mark has been used, but by reference to the way in which (following registration) it could lawfully be used (*Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR 353 at 362). As her Honour remarked (at [69]), if the marks were registered, the applicant would be entitled to exclusive use of the marks, including the expression “primary health care” in any form including, for example, on patient records and, subject to the existence of a prohibition in law or any limitation placed on registration, on patient accounts, and during interactions (both oral and in writing) with members of the public and other participants in the health care sector. In those circumstances, there is at least a “real tangible danger” that a not insignificant number of consumers would wonder whether the applicant offered primary health care through, for example, doctors in its employ. That is enough to make out the respondents’ case: see, for example, *Woolworths* at [49]–[50] (French J).

145 The applicant submitted, however, that the market for the designated services was a specialised one, and therefore a finding to this effect could not be made in the absence of evidence from persons in that market. It contended there was no such evidence. The primary judge rejected a similar submission.

146 The applicant relied on *GE Trademark* [1973] RPC 297 at 321–322, *Interlego AG v Croner Trading Pty Ltd* (1992) 39 FCR 348 at 387–8 and *Idameneo (No 789) Ltd v Symbion Pharmacy Services Pty Ltd* [2011] FCAFC 164; (2011) 94 IPR 442 at [61] (which concerned a company related to the applicant).

147 In *GE*, a case concerning the sale of electrical machinery, at 321 Lord Diplock said:

[W]here goods are of a kind which are not normally sold to the general public for consumption or domestic use but are sold in a specialised market consisting of persons engaged in a particular trade, evidence of persons accustomed to dealing in that market as to the likelihood of deception or confusion is essential. A judge, though he must use his common sense in assessing the credibility and probative value of that evidence, is not entitled to supplement any deficiency in evidence of this kind by giving effect to his own subjective view as to whether or not he himself would be likely to be deceived or confused.

148 His Lordship proceeded to contrast the position with situations in which goods are sold to the general public.

149 In *Interlego* at 387–8, Gummow J (Black CJ and Lockhart J agreeing) observed by way of *obiter dicta* that evidence of consumers and retailers as to the likelihood of deception is critical if a specialised market is involved (citing *GE*).

150 The primary judge considered that evidence was not required in this case, holding that the designated services do not constitute “a highly specialised or technical field”. The applicant argued that her Honour’s focus was wrong. That submission must be accepted. Whether a market is specialised or not does not depend on whether the relevant services are specialised. Still, there are several difficulties with the applicant’s submission.

151 *First*, the primary judge found (at [176]), that the applicant did not establish that the market for the applicant’s services is a specialised market. That finding is not affected by appealable error because, as her Honour also found, the market for the applicant’s services was broader than health professionals. Unless the latter finding is set aside for error, the principle in *GE* does not apply.

152 *Secondly*, *Idameneo* does not assist. In that case it was common ground that the marks in question were applied to services supplied only to a specialised market: see *Idameneo* at [57].

153 *Thirdly*, despite the submission, the applicant conceded at the hearing of the appeal that the absence of evidence of confusion was not decisive.

154 *Finally*, the primary judge held (at [166]), in any event, that there was evidence of likely confusion amongst health professionals, a finding the applicant appears to have overlooked. Perhaps the clearest example appears in the affidavit of Dr Stephen Moore, who was not only a general practitioner but also a shareholder in the applicant. He said that he understood at the time that the applicant ran a business operating a chain of medical centres at which it “provided support services to GPs and medical services to the public”. Since it is uncontroversial that the applicant has never provided medical services to the public, this is evidence of actual confusion.

155 For these reasons I would dismiss grounds 11 to 13 of the notice of appeal.

The proposed limitation

156 On the last day of the hearing, the applicant handed up a “proposed condition” which it invited the Court to impose on the registration of the trade marks to limit the mode of use of the marks. It argued in the alternative that the Court could exercise its power to impose a differently worded condition. In its supplementary written submissions, filed after the hearing, the applicant amended (without leave) the terms of its proposal “to indicate what [it] consider[ed] on reflection to be the more appropriate form of limitation on user”.

157 I agree with Rangiah J that the respondents’ submissions should be accepted and that leave should not be granted to the applicant to raise this new argument on appeal. For the reasons given by his Honour, and for the additional reason that the proposal would not preclude use of the marks outside the confines of the applicant’s medical centres, the proposed condition does not overcome the obstacles to registration imposed by ss 42 and 43 of the Act. Moreover, on the assumption that this Court has the power to impose some other condition or limitation, I would not be disposed to do so. The applicant has had five attempts at drafting a suitable one. As these successive failures demonstrate, it is no simple task. Certainly, one does not readily come to mind.

RANGIAH J:

158 The applicant has applied, pursuant to s 195(2) of the *Trade Marks Act 1995* (Cth) (**the TMA**), for leave to appeal against a judgment of a single judge of this Court.

159 By that judgment, the primary judge dismissed the applicant’s appeal against a decision of a delegate of the Registrar of Trade Marks to refuse the applicant’s application for registration of two trade marks. Her Honour held that the respondents had established grounds for rejection of the application under each of ss 41, 42 and 43 of the TMA.

160 For the reasons that follow, there should be a grant of leave to appeal, but the appeal should be dismissed. As leave to appeal shall be granted, it is convenient to refer to the applicant as “the appellant” throughout these reasons.

BACKGROUND

161 The appellant is named “Primary Health Care Limited”. Its business consists of a medical centre division, a diagnostic pathology and medical imaging division, and a medical software division. It uses “Primary Health Care” as a brand for the business as a whole and, in particular, for its medical centre division.

162 On 6 October 2009, the appellant applied for the registration of two trade marks (**the trade marks**) for services. The first is a word mark, PRIMARY HEALTH CARE. The second is a logo as follows:



163 The application initially sought registration of the trade marks in relation to services within classes 35, 42 and 44 (which includes medical services) under reg 3.1 and Sch 1 of the *Trade Marks Regulation 1995* (Cth). The application was subsequently confined to class 35. The services (**the Services**) are specified in the application as follows:

Class 35: Medical centre business management; medical centre business administration; service provider to medical professionals, namely provider of: administrative support services, billing and invoicing services, reception and telephone answering services, patient booking services, patient file management services including management of access to patient files, typing services, account-keeping and book-keeping services, preparation of business reports, systemisation of information into computer databases, professional business consultancy, computerised file management, business and information management services, ordering services, processing of purchase orders.

164 The appellant describes the Services as “back office services” for medical and allied health practitioners.

165 The respondents, the Crown in the right of the Commonwealth and the Crown in the right of each State and Territory, opposed registration of the trade marks. On 24 September 2014, the registrar’s delegate decided that the respondents had established their ground of rejection under s 43 of the TMA, which prohibits registration of a trade mark which is likely to deceive or cause confusion because of a connotation it contains: see *Commonwealth v Primary Health*

Care Ltd [2014] ATMO 92. The delegate did not decide whether the grounds under ss 41 and 42 of the TMA were also established.

166 The appellant then appealed to this Court pursuant to s 56 of the TMA. The appeal was by way of hearing de novo, requiring determination of the application for registration on its merits: see *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 376 – 377. The parties led substantial further evidence. The primary judge accepted that the respondents had established grounds for rejection under each of ss 41, 42 and 43 of the TMA, with the consequence that the appeal was dismissed.

167 Dr Edmund Bateman commenced a business which involved opening and managing a medical centre in Sydney in 1985. He opened a second medical centre in 1990. In May 1994, Dr Bateman incorporated a company through which the two medical centres were to be managed. In December 1994, the company’s name was changed to “Primary Health Care Pty Ltd”. The business operated under the name “Primary Health Care”.

168 Thomas Bateman, the son of Dr Edmund Bateman and the present general manager of the appellant’s medical centre division, deposed that:

I recall from discussions with Dr Bateman in late 1994 that he chose the name PRIMARY HEALTH CARE because he considered it to be unique and memorable, and reflected the services that would be available to patients attending the centres.

169 The appellant listed on the Australian Stock Exchange on 3 July 1998. It continued to operate its business as “Primary Health Care”.

170 The appellant currently operates and manages 71 medical centres and provides services to over 1,200 health care professionals in Australia. It is the largest provider of medical centre management and administration support services in Australia.

171 The appellant has a number of direct competitors, including Sonic Health Care, Alpha Health Care, Health Scope Medical Centres, Foundation Health Care, Alpha Health Care, Endeavour Health Care and Immediate Health Care.

172 The establishment of a medical centre by the appellant typically commences with identification of a suitable site for a medical practice and negotiation of a long-term lease. The site is refurbished for use as a medical practice supporting between 10 and 30 general practitioners (GPs). The appellant then recruits GPs, medical specialists, physiotherapists, dentists and other health professionals (collectively, **health practitioners**). A wholly owned subsidiary of

the appellant, Idameneo Pty Ltd (**Idameneo**), owns and operates the centres and enters into contracts with the health practitioners. The appellant also recruits employees, including receptionists, accounts staff, clerical staff, practice managers, operational staff and nurses.

173 The recruited health practitioners conduct their practices at the appellant's medical centre. The appellant provides them with consultation rooms and the equipment and services required for their practices. The services provided by the appellant include medical centre management and support services, such as reception and telephone answering services, secretarial services, patient management services, bulk billing and invoicing, and patient file management. The appellant also provides business management services, including provision of necessary supplies and equipment, professional accreditation and regulatory reporting requirements, bookkeeping, accounting, business reporting, information technology, human resources management, occupational health and safety and property management services. The appellant charges each health practitioner a service fee based on a percentage of the gross income he or she generates.

174 Typically, patients will attend the centre and register with the centre receptionist. The patient has the option of waiting for the doctor or other health provider of their choice to become available or waiting for the first available practitioner. After the consultation, the patient deals with the reception staff to organise any follow up appointments. The appellant's staff also deal with all necessary administrative tasks, such as updating patients' records, processing Medicare payments and the like.

175 The primary judge found that the appellant does everything necessary to provide and operate the medical centres, and that the only thing the appellant does not do and is not responsible for is the provision of clinical or medical care. The health practitioners alone provide clinical care.

THE PRIMARY JUDGMENT

176 It will be necessary to describe the reasons of the primary judge in detail later in these reasons. For the moment, it is enough to give an overview of her Honour's reasons.

177 The primary judge identified the issues in the case as:

- (1) The scope of the proposed registration.
- (2) Whether the trade marks are inherently adapted to distinguish the appellant's Services: s 41(3) of the TMA.

- (3) Whether the trade marks do, or will, distinguish the appellant's Services: s 41(5) and 41(6) of the TMA.
- (4) Whether the trade marks are likely to deceive or cause confusion because of a connotation they have: s 43 of the TMA.
- (5) Whether use of the trade marks would be contrary to law: s 42 of the TMA.

The First Issue: The scope of the proposed registration

178 The primary judge identified the first issue as “the scope of the proposed registration”. By this, the primary judge was referring to the nature of the Services and to whom and how they are provided by the appellant.

179 Her Honour noted that there was a fundamental difference between the parties about the nature of the Services. As 41(3) of the TMA requires consideration of the ordinary signification of the trade marks to the “target audience” for the designated goods or services, it is necessary to identify that audience. The appellant contended that it provides the Services only to health practitioners and they are solely the target audience. The respondents argued that the Services are also provided to patients and people involved in public health care and that they are also part of the target audience.

180 The primary judge held that the persons paying for the Services, the health practitioners, are not the only persons who receive the Services, or, at least, are not the only persons “concerned with” the Services. Her Honour found that many of the Services are also provided by the appellant to patients. Accordingly, patients are part of the target audience.

181 The scope of the Services was also relevant to the application of s 41(5) of the TMA. The appellant submitted that it is in the business of providing the Services to health practitioners. Her Honour found that the appellant is instead in the business of *operating medical centres*. It is as part of that business, and not otherwise, that the appellant provides the Services. Her Honour found that the appellant is not in the business of providing the Services themselves.

182 The primary judge considered that the appellant's misconceptions affected the entirety of the appellant's case, concluding at [64]:

As such, the focus of the applicant's case is off target and at odds with the evidence. The consequences of this disconnect run through every aspect of the case. First, the Services cannot be considered as if they exist in isolation because that is not how the Services are provided. Second, no matter how often the applicant repeats it, I am unable to accept that the Services are directed only to GPs and health professionals;

the public and other participants in the health care sector are provided with some of the Services and are potentially concerned with all of the Services. Third, this in turn affects the question of whether the marks are inherently adapted to distinguish when the Services are provided in and from a medical centre which, as discussed below, involves the quintessential form of primary health care. Fourth, this has led to the proposed amendments which, as discussed below, involve a form of self-negating description of the Services. Fifth, the applicant has tried to establish acquired distinctiveness by use of the marks in respect of the Services when the applicant does not market the Services at all in and of themselves, but markets to GPs and allied health professionals a particular form of practice in which, amongst many other things (including the basic requirements of rooms, equipment, medical supplies, cleaning and maintenance), the applicant also provides the Services.

183 Her Honour found that the appellant provides many of the Services to health practitioners, to patients and to all other participants in health care who interact with the health practitioners in the medical centres. Her Honour also found that many of the Services are “indivisible from or integral” to the provision of clinical care by the health practitioners at the centres.

184 The primary judge then concluded that it is the ordinary signification of the words “Primary Health Care” to all health professionals, other participants in the health care system in Australia, and the Australian public as potential patients at the medical centres which is relevant for s 41(3) of the TMA. That finding was also relevant to issues arising under ss 42 and 43 of the TMA.

185 Her Honour considered three possible amendments to the specifications proposed by the appellant, but rejected those amendments as having no utility because they made no material difference to the nature of the Services, to whom they are provided and how they are performed.

The Second Issue: Whether the trade marks are inherently adapted to distinguish the Services

186 The primary judge then turned to the second issue, whether the trade marks are inherently adapted to distinguish the Services for the purposes of s 41(3) of the TMA.

187 The respondents submitted that the ordinary signification of “primary health care” is “first level” or “first contact health care”. They argued that the trade marks are not inherently adapted to distinguish the Services as being provided by the appellant to any extent because they merely *describe* the kind of services of which the Services form part (ie primary health care).

188 The appellant submitted that there is no ordinary or plain meaning in the English language for the phrase “primary health care”. It argued that the word “primary” is not commonly used or understood to describe medical services or sections of the health care system. It submitted that

it does not provide primary health care, so the phrase is not descriptive of the Services. It argued that the phrase instead alludes to clinical services provided by health practitioners at the centres.

189 The primary judge first considered the ordinary signification of the phrase to people involved in public health policy in Australia. Her Honour concluded that to that class, “primary health care” means “first level or first contact health care”.

190 The primary judge then examined the evidence called by the appellant from twelve GPs as to the meaning of “primary health care”, finding, relevantly, that five were aware of the meaning of the phrase as “first level or first contact health care” before the priority date. Her Honour also found that before the priority date the appellant had itself used the phrase “primary health care” to refer to first level or first contact health care in Australia.

191 Her Honour concluded that as at the priority date, the ordinary signification of the phrase “primary health care” to a substantial number of persons involved in the provision of health care in Australia was the first level of health care available in the health system, incorporating GPs, but also other health professionals, who would be the first point of contact between an individual and the health care system (or, in her Honour’s shorthand, “first level/first contact health care”).

192 The primary judge then considered how members of the general public, or patients, would understand the phrase “Primary Health Care”. Her Honour concluded that a substantial number of people seeking to access health care would also understand the reference to be to a form of health care, being “first level/first contact health care”. They would do so because of the ordinary meaning of each word which makes up the phrase.

193 Her Honour found that the ordinary signification of “primary health care” to the target audience is “first level/first contact medical care”. Her Honour reasoned that, as the provision of the services is indivisible or indistinguishable from the provision of clinical care, the phrase describes the Services. It followed that other traders may wish to use the marks for their ordinary signification.

194 Her Honour found that the inclusion of the logo did not confer any additional inherent adaptability upon the mark PRIMARY HEALTH CARE. Her Honour concluded that the trade marks are not inherently adapted to distinguish the Services from the services of others of the same kind to any extent.

The Third Issue: Whether the trade marks do or will distinguish the Services

195 The primary judge then turned to the third issue, namely whether the trade marks do, or will, distinguish the Services. Section 41(5) of the TMA had no application in light of her Honour's finding that the trade marks are not inherently adapted to distinguish the Services to any extent. However, in case that finding was wrong, her Honour proceeded to consider s 41(5) on the assumed basis that the trade marks distinguish the Services to some extent.

196 Her Honour accepted that the appellant had used the word mark PRIMARY HEALTH CARE before the priority date to identify the appellant as the source of its business of providing medical centres. However, her Honour found that the trade marks had not been used by the appellant to distinguish *the Services themselves*, and that the marks did not in fact distinguish the Services. Further, the logo mark had not been used before the priority date.

197 The primary judge found that other organisations involved in similar activities may, without improper motive, wish to use the phrase "primary health care" to describe their activities.

198 Her Honour concluded that the combined effect of the matters set out in s 41(5)(a)(i)–(iii) of the TMA did not mean that the marks do, or will, distinguish the appellant's Services from the same services offered by others.

199 The primary judge held that her conclusions in respect of s 41(5) of the TMA also answered the enquiry under s 41(6). Her Honour was not satisfied that because of the extent to which the appellant had used the marks before the priority date, the marks distinguished the Services as being those of the appellant. The trade marks were taken to not be capable of distinguishing the Services and, therefore, could not be registered

The Fourth Issue: Whether the trade marks are likely to deceive or cause confusion

200 The primary judge then turned to the question of whether the marks were likely to deceive or cause confusion within s 43 of the TMA. Her Honour held that the phrase "Primary Health Care" has a clear connotation, that connotation being, not the appellant as the source of the Services, but the source of first level or first contact health care.

201 Her Honour held that the use of the marks conveyed a false impression that the appellant is providing or is responsible for the clinical components of primary health care. Her Honour held that the marks are likely to deceive or cause confusion and that the respondents had established the ground under s 43 of the TMA.

The Fifth Issue: Whether the use of the trade marks could be contrary to law

202 Finally, the primary judge considered whether, under s 42(b) of the TMA, use of the trade marks in respect of the Services would be contrary to law, namely s 18 of the *Australian Consumer Law* (Schedule 2 to the *Competition and Consumer Act 2010 (Cth)*) (**the ACL**). That section prohibits conduct in trade or commerce that is misleading or deceptive or is likely to mislead or deceive.

203 Her Honour held that use of the trade marks would misrepresent that the appellant provides primary health services and is responsible for the health and medical services provided by the practitioners within the appellant's medical centres.

204 Her Honour held that the respondents had established grounds for rejection of registration of the trade marks under ss 41, 42 and 43 of the TMA and that registration should be refused.

THE APPLICATION FOR LEAVE TO APPEAL

205 The appellant is required, under s 195(2) of the TMA, to seek leave to appeal against the judgment of the primary judge.

206 There are no exhaustive or rigid rules of practice or criteria governing the grant of leave to appeal: *Adam P Brown Male Fashions Pty Ltd v Philip Morris Inc* (1981) 148 CLR 170 at 177. However, two important factors are whether the judgment is attended by sufficient doubt to warrant it being reconsidered by the Full Court, and whether substantial injustice would result if leave were refused, supposing the judgment to be wrong: *Decor Corporation Pty Ltd v Dart Industries Inc* (1991) 33 FCR 397 at 398-399; *Samsung Electronics Company Ltd v Apple Inc* (2011) 217 FCR 238 at [26]. These factors are interconnected.

207 It is necessary to say something about the nature of the proposed appeal and the appellant's presentation of its case.

208 An appeal against a judgment of a single judge of this Court is by way of rehearing. In *Allesch v Maunz* (2000) 203 CLR 172 at [23], the High Court confirmed that in an appeal by way of rehearing, "the powers of the appellate court are exercisable only where the appellant can demonstrate that, having regard to all the evidence now before the appellate court, the order that is the subject of the appeal is the result of some legal, factual or discretionary error".

209 The appellant's draft notice of appeal superficially recognises the necessity to demonstrate error on the part of the primary judge. However, as will be seen, most of the grounds and their

particulars assert merely that the primary judge erred in making certain findings without identifying what the error was. Accordingly, it is necessary to turn to the appellant's written and oral submissions to try to understand what errors the appellant asserts. But much of the appellant's submissions consist of merely asserting propositions of law and fact rather than identifying error and, even where errors are identified, the submissions fail to correlate the errors with the grounds of appeal.

210 Further, the appellant complains repeatedly and emphatically in its submissions about the primary judge's "approach" to various issues. For example, the appellant's written submissions assert error in her Honour's "approach to the classification of services". In oral submissions, the appellant's senior counsel said "But it's really about approach". The appellant's complaints "about approach" tend to mask a lack of specificity in identifying the errors said to have been made by the primary judge.

211 These difficulties with the draft notice of appeal and written and oral submissions have meant that the appellant's case in its entirety cannot easily be identified, understood or encapsulated.

212 However, as will be seen, the appellant is able to demonstrate error on the part of the primary judge in two respects. Although those errors do not ultimately affect the outcome of the case, the appellant should be granted leave to appeal and to file the draft notice of appeal.

THE APPEAL

213 The appellant's notice of appeal is structured to first deal with asserted errors in the primary judge's findings concerning "General" matters and then sequentially with findings relevant to ss 41(3), 41(5), 41(6), 43 and 42 of the TMA.

214 The "General" grounds are concerned with the primary judge's analysis of the scope of the Services specified in the application for registration. That analysis fed into her Honour's consideration of each ground for rejection of the trade marks. In order to give the "General" grounds context, it is convenient to consider the primary judge's findings concerning the scope of the Services together with the legislation and principles relevant to s 41(3) of the TMA.

The legislation and the principles relevant to s 41(3) of the *Trade Marks Act 1995* (Cth) ("TMA")

215 Section 17 of the TMA defines the expression "trade mark". That section provides:

17 What is a trade mark?

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.

216 Section 20 of the TMA describes the rights given to the registered owner of a registered trade mark:

20 Rights given by registration of trade mark

(1) If a trade mark is registered, the registered owner of the trade mark has, subject to this Part, the exclusive rights:

(a) to use the trade mark; and

(b) to authorise other persons to use the trade mark;

in relation to the goods and/or services in respect of which the trade mark is registered.

...

(2) The registered owner of a trade mark has also the right to obtain relief under this Act if the trade mark has been infringed.

...

217 Section 27(1) of the TMA provides that a person may apply for the registration of a trade mark in respect of goods and/or services if certain conditions are met. Section 33(1) of the TMA requires the Registrar of Trade Marks (**the Registrar**), after examining the application, to accept the application unless he or she is satisfied that the application has not been made in accordance with the TMA or there are grounds under the TMA for rejecting it.

218 Division 2 of Pt 4 of the TMA (ss 39 - 44) is headed, "Grounds for rejecting an application". Section 41 was amended by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth). However, the amendments do not apply in the present case, where the priority date precedes the amendments. Section 41 in its form prior to the amendments was as follows:

41 Trade mark not distinguishing applicant's goods or services

(1) For the purposes of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be a use of the trade mark by the applicant.

...

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (*designated goods or services*) from the goods or services of other persons.

...

- (3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.
- (4) Then, if the Registrar is still unable to decide the question, the following provisions apply.
- (5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:
 - (a) the Registrar is to consider whether, because of the combined effect of the following:
 - (i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;
 - (ii) the use, or intended use, of the trade mark by the applicant;
 - (iii) any other circumstances;the trade mark does or will distinguish the designated goods or services as being those of the applicant; and
 - (b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services - the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and
 - (c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services - the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons....
- (6) If the Registrar finds that the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:
 - (a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant - the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;
 - (b) in any other case - the trade mark is taken not to be capable of distinguishing the designated goods or services from the

goods or services of other persons.

...

219 An essential characteristic of a trade mark is that it is used to distinguish the goods or services of a trader from the goods or services of other traders: s 17 of the TMA; *E & J Gallo Winery v Lion Nathan Pty Ltd* (2010) 241 CLR 144 at [42]. A trade mark may in fact distinguish goods and services, or it may not. If a trade mark is not capable of distinguishing designated goods or services, then it may be used but cannot be registered. If it is not registered, the owner does not acquire the monopoly on the use of the trade mark conferred under s 20 of the TMA.

220 Section 41(2) of the TMA in its form prior to the amendments was central to the Registrar's decision as to whether or not a trade mark is to be registered. That provision required the Registrar to reject an application for a trade mark *if the trade mark is not capable of distinguishing the applicant's goods or services* in respect of which the trade mark is sought to be registered from the goods or services of other persons.

221 Sections 41(3) - (6) then prescribed how the Registrar was to decide whether the trade mark satisfies the requirements of s 41(2). Under s 41(3), the first step was to consider *the extent to which the trade mark is inherently adapted to distinguish* the designated goods or services from the goods or services of other persons. If the Registrar could not decide the question posed under s 41(2) on the basis of inherent adaptation to distinguish, s 41(4) required the Registrar to then apply s 41(5) or s 41(6).

222 There are a number of well-established principles concerning the interpretation and application of s 41(3) of the TMA. In *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56 at [236], the Full Court summarised the principles as follows:

- (1) In deciding whether or not a trade mark is capable of distinguishing the designated services from the service of others, the first question is the extent to which the trade mark is inherently adapted to distinguish the designated services from those of others: s 41(2) and (3).
- (2) In determining whether a trade mark is inherently adapted to distinguish the services of a trader, the answer largely depends upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their goods: *Clark Equipment Co v Registrar of Trade Marks* ("*Clark Equipment*") (1964) 111 CLR 511 per Kitto J at 514.
- (3) The question of whether a trade mark is adapted to distinguish the services of the applicant is to be tested by reference to the *likelihood* that other persons, trading in goods of the relevant kind and being actuated only by proper motives (in the exercise of the common right of the public to make honest use of words

forming part of the common heritage for the sake of the signification which the words *ordinarily possess*) will think of the word and want to use it in connection with similar goods in any manner which would infringe the trade mark once registered: *Clark Equipment* at 514.

- (4) Directly descriptive words, like geographical names, are not prima facie suitable for the grant of a monopoly conferred by registration of a trade mark because use of them, as trade marks, will “rarely eclipse” their “primary” (that is, their ordinary) signification. Such words (or a word) are unlikely to be inherently, that is to say, “in [their] own nature”, adapted to distinguish the applicant’s goods. Traders may legitimately want to use such words in connection with their goods or services “because of the reference they are ‘inherently adapted to make’ to those goods”: *Cantarella Bros Pty Limited v Modena Trading Pty Limited* (“*Cantarella*”) (2014) 254 CLR 337 at [57] per French CJ, Hayne, Crennan and Kiefel JJ.
- (5) The principles derived from the observations of Kitto J in *Clark Equipment* apply with as much force to directly descriptive words as they do to words which are, according to their ordinary signification, geographical names: *Cantarella* at [57].
- (6) In determining whether a word is (or words are) inherently adapted to distinguish the goods or services of an applicant, the question is to be examined from the point of view of the “possible impairment” of the rights of “honest traders” and from the “point of view of the public”: *Cantarella* at [59].
- (7) In determining whether a word contains (or words contain) a “direct reference” to the relevant goods or services (and thus prima facie not registrable as a trade mark) or whether the word (or words) makes a “covert and skilful allusion” to the relevant goods or services (and thus prima facie registrable as a trade mark), the “ordinary signification” of the word or words to persons who will purchase, consume or trade in the goods or services, must be considered: *Cantarella* at [59].
- (8) Where the question is whether there are other traders who may legitimately want to use or apply a word or words in connection with their goods or services (other than a geographical name or a surname), the test refers to the “legitimate desire of other traders to use a word which is directly descriptive in respect of the same or similar goods”: *Cantarella* at [59].
- (9) Consistent with the proposition at (7), the test described at (8) does not encompass the desire of other traders to use a word or words which in relation to the goods or services are “allusive or metaphorical”: *Cantarella* at [59].
- (10) In determining whether a trade mark is inherently adapted to distinguish the designated goods or services for the purposes of s 41(3), the ordinary signification of the word or words are to be considered from the perspective of “any person in Australia concerned with the goods or services to which the trade mark is to be applied”: *Cantarella* at [70].
- (11) Consideration of the “ordinary signification” of any word or words said to constitute a trade mark is “crucial”: *Cantarella* at [71]. That is so whether the word (or words) is said not to be registrable because: it is not an invented word and has direct reference to the character or quality of the goods or services; or, the word is laudatory; or, the word is a geographical name; or, the word has either lost its distinctiveness or it never had the requisite distinctiveness from the outset: *Cantarella* at [71].

- (12) The process of reasoning in addressing s 41(3) of the Act involves first identifying the “ordinary signification” of the word in question and then undertaking an enquiry into whether other traders might legitimately need to use the word in respect of their goods: *Cantarella* at [71]. If a word contains an allusive reference to goods or services it is, prima facie, qualified for the grant of a monopoly as a trade mark under the Act. If, on the other hand, the word is understood, by the target audience, as having a directly descriptive meaning in relation to relevant goods or services then, prima facie, the proprietor is not entitled to a monopoly in respect of the word. As a general proposition, a word or words which are prima facie entitled to a monopoly secured by registration as a trade mark under the Act, according to this method, are inherently adapted to distinguish: *Cantarella* at [71].

223 Some of these principles will require elaboration later in these reasons in the context of this case. In particular, it will be necessary to consider: what is meant by “inherently adapted” in s 41(3) of the TMA; the relevance of nature of the designated services and way the services are intended to be used; and from whose perspective it is to be judged whether the mark is adapted to distinguish.

224 For the moment, two further matters should be mentioned. Firstly, the capacity to distinguish required under s 41(3) and (5) of the TMA must be possessed by the trade mark at the priority date: *Austereo Pty Ltd v DMG Radio (Australia) Pty Ltd* (2004) 209 ALR 93 at [30]. The priority date is, pursuant to s 12(b) of the TMA, the day that would be the date of registration of the trade mark if the trade mark were registered. Under s 72(1) of the TMA, the registration of a trade mark is taken to have had effect from and including the filing date in respect of the application for registration. Under s 6 of the TMA, the filing date is the day on which the application was filed. That date, and therefore the priority date, was 6 October 2009.

225 Secondly, prior to the amendments, a party opposing registration of a trade mark carried the onus of proving that the mark is not inherently adapted to distinguish under s 41(3) of the TMA, but if that onus was discharged, the applicant for registration bore the onus of proving that ss 41(5) or (6) applied: see *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9 at 25-30; *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494 at [22]; *Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519 at [29]-[40]; *Mantra IP Pty Ltd v Spagnuolo* (2012) 205 FCR 241 at [32]-[38]; *Apple Inc v Registrar of Trade Marks* (2014) 227 FCR 511 at [10]. The 2012 amendments have altered the position so that the onus remains on the opponent throughout the assessment under s 41 of the TMA. Those amendments do not affect this case.

The “General” grounds of appeal

226 The appellant’s “General” grounds are:

General

- 1 The primary judge erred in dismissing the appeal from the Decision of the Delegate (at J [7], [163] and order 1).
- 2 The primary judge erred in finding (at J [7], [126], [151]-[152], [160], [163], [188], [190], [191]) that the respondents had established the grounds of opposition under ss 41, 42 and 43 of the *Trade Marks Act 1995* (the Act) and that registration of the Trade Marks should be refused.
- 3 The primary judge erred in finding (at J [60]-[68], [80], [118]-[119], [124], [143], [153]) that the Services provided by the appellant are not separate from other activities engaged in by the appellant in the operation of its medical centres, and are indivisible or indistinguishable from, or integral to, the provision of clinical care to patients who attend the appellant’s medical centres.
- 4 The primary judge erred in finding (at J [55], [74], [80], [81]) that it is not possible to control the scope of the registration of the Trade Marks in the manner proposed by the appellant.

227 The first two grounds in the notice of appeal are so vague as to be meaningless and will not be further considered.

228 The third ground of appeal challenges two findings which the appellant asserts were made by the primary judge, namely that:

- (1) the Services provided by the appellant are not separate from other activities engaged in by the appellant in the operation of its medical centres;
- (2) the Services are indivisible or indistinguishable from, or integral to, the provision of clinical care to patients who attend the appellant’s medical centres.

229 Ground 4 of the notice of appeal asserts that the primary judge erred in finding that it is not possible to control the scope of the registration of the trade marks in accordance with three amendments to the specifications proposed by the appellant.

The primary judge’s findings relevant to the “General” grounds

230 It is convenient to start with the second of the asserted findings in Ground 3 of the notice of appeal, that the Services are indivisible or indistinguishable from, or integral to, the provision of clinical care. It is necessary to discuss the competing submissions in order to give context to that finding.

231 The appellant submitted before the primary judge that the Services are “back office” services which are only provided to health practitioners at the medical centres. It argued that, therefore, only the understanding of health practitioners should be considered when determining the ordinary signification of the trade mark PRIMARY HEALTH CARE. The appellant submitted that to health practitioners, the mark would refer to the appellant and to the appellant’s Services, and that the mark distinguished the Services from similar services provided by the appellant’s competitors.

232 The appellant also submitted that the Services do not involve the provision of clinical care and that only the health practitioners provide clinical care to patients. The health practitioners to whom the Services are marketed are, or become, aware of this. The appellant argued that, thus, the words PRIMARY HEALTH CARE allude to the clinical care provided by the health professionals, but do not describe the Services.

233 The respondents submitted that the appellant provides the Services both to the contracted health practitioners and to patients. They also submitted that provision of the Services is a critical enabler, and an incident of, the provision of clinical care by the contracted health professionals. They submitted that by providing the Services, the appellant (through its subsidiary, Idameneo) provides primary health care to members of the public. They submitted that the mark PRIMARY HEALTH CARE is therefore descriptive of the services provided by the appellant.

234 It was in the context of these competing submissions that the primary judge proceeded to analyse the nature of the Services, the manner of provision of the Services and to whom the services are provided.

235 The primary judge held (at Judgment (**J**) [55]) that the persons paying for the Services, the health practitioners, are not the only persons who receive the Services, or, at least, are not the only persons “concerned with” the Services. The Services include reception and telephone answering services, patient booking services, patient file management services, information management services, billing and invoicing services, computerised file management and ordering services. Her Honour found (at J [55-57]) that each of these services is provided by the appellant, not only to medical professionals, but to patients. For example, by answering a telephone call, making a record of an appointment and sending a reminder to a patient, the receptionist provides a service to both the GP and the patient. After the patient receives clinical care, the receptionist prepares an invoice and takes payment and may arrange for the patient to

receive a Medicare or health cover rebate; and these are services provided to both the GP and the patient.

236 The primary judge (at J [60]) rejected the appellant's characterisation of the Services as services provided only to medical professionals. As has already been noted (at [25]), her Honour considered that such a characterisation reflected a misconception which affected the entirety of the appellant's case.

237 The primary judge found (at J [65]):

To return to the immediate issue, the reality is that, at least insofar as the Services are concerned, the applicant is providing services to medical professionals within its centres, to patients of those centres, and to all other participants in health care who interact with any medical professional in one of its centres. The fact that the applicant (or Idameneo) receives payment for the provision of the Services directly from the medical professional does not mean that the Services are provided only to the medical professional. Nor does the fact that medical professionals understand that they alone provide clinical or medical services to patients mean that the Services are not provided to patients. The reasoning involved seems to involve a false syllogism: (i) only medical professionals provide clinical services to patients, (ii) the Services are not clinical services, (iii) therefore, the Services are necessarily not services to patients. Propositions (i) and (ii) may be accepted, but they do not lead to proposition (iii).

(Emphasis added.)

238 Her Honour continued (at J [68]):

But by focusing on the Services which occur within the medical centres at which patients receive clinical care the applicant has created specifications in which many of the Services are services to more than merely the GP or other health professional, and are indivisible from or integral to the provision of clinical care by the GP or other health professional.

(Emphasis added.)

239 Her Honour then concluded (at J [71]):

It follows that, given the terms of the specifications and the nature of the Services, it is not merely the ordinary signification of the words "primary health care" to health professionals in private practice and available for recruitment by the applicant which is relevant. It is the ordinary signification of those words to all health professionals, other participants in the health care system in Australia, and the Australian public who are potential patients at the medical centres which is relevant. To the extent that the applicant's case depends on the Services being confined to health professionals in private practice who had been or were available to be recruited to one of the applicant's medical centres, and that therefore such health professionals are the only persons concerned with the Services, the case should not be accepted.

(Emphasis added.)

Consideration of “General” grounds

240 The second aspect of Ground 3 asserts that her Honour erred in finding that the Services are indivisible or indistinguishable from, or integral to, the provision of clinical care to patients.

241 Her Honour rejected the appellant’s characterisation of the Services as services provided *only* to health practitioners. Her Honour found (at J [55]-[57], [68]) that while the appellant provides the Services to, and receives payment for the services directly from, the health professionals, the appellant also provides many of the Services to patients. That is because many of the Services are “integral to and indivisible from” the clinical care provided to the health practitioners’ patients. These findings formed the foundation for much of her Honour’s subsequent reasoning.

242 In finding that the Services are “indivisible from” clinical care to patients, her Honour made no finding that the appellant provides clinical care to patients. Rather, her Honour’s reasons must be construed as indicating that the Services provided by the appellant are so closely interlinked with (“integral to”) the clinical care provided by health practitioners, that the Services cannot practically be regarded as being provided only to health practitioners.

243 In the appeal, the appellant submits that some of the Services are quintessentially back office services that the primary judge could not reasonably have interpreted as being provided directly or indirectly to patients. In that category, the appellant lists “administrative support services...account keeping and bookkeeping services, preparation of business reports, systemisation of information into computer databases, professional business consultancy, computerised file management, business and information management services, ordering services, processing of purchase orders.” The appellant also submits that there is no authority supporting her Honour’s approach to the indivisibility of the Services.

244 The appellant further submits that the fact that patients may be exposed to or indirectly benefit from some of the Services does not change their character as services provided to health practitioners. Two things may immediately be said about this submission. Firstly, contrary to the suggestion implied in the submission, her Honour *did* accept that the Services are provided to health practitioners. Her Honour’s findings were concerned with whether the services were *also* provided to patients. Secondly, the submission acknowledges that patients may receive a benefit from some of the Services.

245 The primary judge’s findings that the appellant provides many of the Services to patients and that those Services are indivisible from, or integral to, the provision of clinical care to patients were findings of fact. It will be seen from the notice of appeal that the appellant also challenges other findings of fact. At one point in the course of his submissions, the appellant’s senior counsel seemed to disclaim any challenge to findings of fact made by the primary judge, but it is apparent that the appellant does take issue with some such findings. At this stage, it is relevant to note the following observations made in *Robinson Helicopter Company Inc v McDermott* (2016) 331 ALR 550 at [43] about the role of an intermediate appellate court of appeal in reviewing findings of fact made by a judge at first instance:

The fact that the judge and the majority of the Court of Appeal came to different conclusions is in itself unremarkable. A court of appeal conducting an appeal by way of rehearing is bound to conduct a “real review” of the evidence given at first instance and of the judge’s reasons for judgment to determine whether the judge has erred in fact or law. If the court of appeal concludes that the judge has erred in fact, it is required to make its own findings of fact and to formulate its own reasoning based on those findings. But a court of appeal should not interfere with a judge’s findings of fact unless they are demonstrated to be wrong by “incontrovertible facts or uncontested testimony”, or they are “glaringly improbable” or “contrary to compelling inferences”. In this case, they were not.

(Citations omitted.)

246 The specification of the Services in the application for registration of the trade marks divides the Services into three categories. The first is “Medical centre business management”. The second is “medical centre business administration”. The third is “service provider to medical professionals”, with particular services then specified. The appellant’s submissions in the appeal do not distinguish between the three categories and, from their descriptions in the application, no practical distinction is evident. The primary judge seems to have treated the appellant’s case for registration as effectively based on the third category. The appellant has made no complaint about that approach.

247 Within the third category, the primary judge expressly considered the Services described as “billing and invoicing services, reception and telephone answering services, patient booking services, patient file management services including management of access to patient files...billing and information management services, ordering services”. Her Honour found that those services are provided to patients, as well as health practitioners. The only services in the third category that her Honour did not expressly discuss are “administrative support services”, “typing services”, “preparation of business reports”, “professional business consultancy” and “processing of purchase orders”. Her Honour appears to have inadvertently

overlooked “typing services”, but her Honour’s reasoning concerning other services which involve typing, such as “patient booking services” and “billing and invoicing services”, must apply equally to “typing services”.

248 The appellant submits that her Honour could not reasonably have regarded the Services described as “administrative support services”, “account keeping and bookkeeping services”, “systemisation of information into computer databases”, “computerised file management”, “business and information management services”, and “ordering services” as being provided directly or indirectly to patients. Leaving aside “administrative support services” for the moment, her Honour’s explanation (at J [55]) as to how, by providing each of these services to health practitioners, the appellant also provides such services to patients is persuasive. The appellant’s submission that her Honour could not reasonably have regarded these services as being provided to patients cannot be accepted. While her Honour did not expressly consider “administrative support services”, those services appear to be no more than a general description of the other services particularised in the third category.

249 The appellant’s submission that the Services consisting of “preparation of business reports”, “professional business consultancy” and “processing of purchase orders” are provided only to medical practitioners can be accepted. But, her Honour did not rule that these particular services are provided to patients. Those services were not mentioned by her Honour. Her Honour’s conclusion (at J [68]) was that *many* of the Services are provided to patients and *many* of the Services are indivisible from, and integral to, the provision of clinical care. That finding responded to, and rejected, the appellant’s contention that the Services as a whole were provided *only* to health practitioners.

250 The appellant asserts in Ground 3 of the notice of appeal that the primary judge found that “the Services...are indivisible or indistinguishable from, or integral to, the provision of clinical care to patients”. The premise is not established as her Honour made such a finding only in relation to *many* of the services, not all. The consequence was that her Honour rejected the appellant’s submission that only the ordinary signification of the marks to health practitioners should be considered when applying s 41(3) of the TMA.

251 The appellant submits that there is no authority supporting her Honour’s approach to the indivisibility of the Services. In *Cantarella Bros Pty Limited v Modena Trading Pty Limited* (2014) 254 CLR 337 at [71], the majority judgment explained that in applying s 41(3) of the TMA, it is necessary to determine the ordinary signification of a trade mark to the “target

audience” for the trade mark. Her Honour’s finding that many of the Services are indivisible from, or integral to, clinical care was a step along the way to identifying the “target audience”. The finding was one of fact and was relevant and no specific authority was required in order for it to be made. There is, in any event, authority supporting her Honour’s approach of conducting a practical evaluation of the Services, which led to the finding as to indivisibility.

252 In *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks*, French J observed at [47] that the ultimate question under s 41(2) of the TMA requires “a practical evaluative judgment about the effects of the relevant mark in the real world”. Lindgren J said at [113] that the question for decision “is not a metaphysical one, but a practical one and requires attention to be given to the perceptions and motivations of consumers in the circumstances of each particular case.” These comments underline the need for a practical evaluation of the capacity of the trade mark to distinguish by consideration of consumers’ perceptions in the “real world” and by reference to matters such as the nature of the goods or services and the way they will be provided. The primary judge’s approach of beginning by examining the nature of the Services, how they are provided and to whom they are provided was amply justified. It follows that the second aspect of Ground 3 should be rejected.

253 The first aspect of Ground 3 asserts that the primary judge erred in finding that the Services provided by the appellant are not separate from other activities engaged in by the appellant in the operation of its medical centres. That finding was made in the course of ruling upon the appellant’s submission that it provided the Services to health professionals using the trade marks to brand *the Services*. That submission was relevant to s 41(5) of the TMA. The appellant also claimed that it was relevant to s 41(3).

254 Her Honour found (at J [122]) the appellant’s submission that it is in the business of providing *the Services* to health professionals to be inaccurate. Her Honour found that the appellant is (relevantly) in the business of operating medical centres and that it is as part of the appellant’s operation of the centres, and not otherwise, that the appellant provides the Services to health practitioners. Her Honour found that the appellant markets to health practitioners a form of practice, involving provision of a fully equipped room at a medical centre and provision of the Services in exchange for a fee calculated as a percentage of the money earned by the medical practitioners from providing clinical services to patients. The Services are only available to health practitioners who have been contracted to work at the appellant’s medical centres.

255 Those findings led to the rejection of the submission that the appellant used the trade marks to brand *the Services* (rather than its business of operating medical centres). Her Honour said (at J [63]) that the position might have been different if the appellant was in the business of providing the Services to all health professionals and marketed the services in that way, but that is not what the appellant has ever done. Her Honour found that the Services cannot be considered as if they exist in isolation, because that is not how the Services have been provided.

256 The appellant submits that the primary judge's finding that the appellant did not market the Services "per se" or "in and of themselves" was irrelevant to the case. However, those findings were relevant to consideration of the appellant's use of the trade marks when applying s 41(5) and (6) of the TMA. Those issues will be discussed later in these reasons in the context of the grounds of appeal specifically dealing with findings relevant to those sections. The finding that accommodation and the Services are provided in exchange for a fee calculated as a percentage of the money earned by the medical practitioners from providing clinical services to patients was also relevant to her Honour's conclusion that many of the Services are integral to, and indivisible from, the clinical care provided by health practitioners.

257 Ground 4 of the draft notice of appeal is that the primary judge erred in finding that it is not possible to control the scope of the registration of the trade marks in the manner proposed by the appellant.

258 On the last day of the hearing before the primary judge, the appellant proposed three possible amendments to the specifications for the Services, which it described as "options".

259 The first option proposed to amend the specifications to expressly state that the Services are "services to medical professionals" and that none of the Services are "medical care by medical professionals to patients". Her Honour held that these amendments achieved nothing because the Services are in fact provided to patients and other participants in the health care system.

260 The appellant's second option described the Services as being "services provided directly to medical professionals but not including medical services or any services that entail dealing with patients or any other members of the general public attending medical centres". That option also expressly excluded "medical services or services that entail dealing with patients or any other members of the general public attending the medical centres". That option also contained an endorsement to the effect that registration of the trade mark "is limited to the provision of the aforementioned services to medical professionals and does not extend to

exclusive rights in any use that may be seen by patients or any other members of the general public attending medical centres”. The endorsement sought to engage ss 33(2) and 55(1)(b) of the TMA.

261 Section 33(2) of the TMA provides that the Registrar may accept an application subject to conditions or limitations. Under s 6(1), “limitations” means “limitations of the exclusive right to use a trade mark given by the registration of the trade mark, including limitations of that right as to...mode of use”. Section 55(1) of the TMA provides that the Registrar must decide to either register a trade mark “with or without conditions or limitations”, or to refuse to register a trade mark.

262 The appellant’s third option was similar to the second, except that it contained a “disclaimer”, in place of the endorsement, saying:

Registration of this trade mark shall neither confer nor recognise any exclusive right to use that may be seen by patients or any other members of the general public attending medical centres, including but not limited to signage on or in medical centres, signage on medical centre staff uniforms, and on documentation generated in the course of interacting with patients or any other members of the general public attending medical centres.

263 The disclaimer relied on s 74 of the TMA. That section provides that an applicant for registration may disclaim any exclusive right to use “a specified part of the trade mark”. Her Honour held that this provision was inapplicable as the disclaimer purported to disclaim an exclusive right to use the trade marks in a particular way, rather than disclaiming an exclusive right to use a specified part of the trade marks. The appellant’s grounds of appeal do not challenge this aspect of her Honour’s reasons.

264 The primary judge noted that the intention of the amendments proposed under the second and third options was to prevent the appellant from having an exclusive right to use the marks in such a manner that the marks will be seen by members of the public attending the appellant’s medical centres. Her Honour considered (at J [79]-[80]) that these options would not overcome the problem of indivisibility of the Services. For example, if the appellant provides billing services directly to medical professionals, irrespective of the appellant’s characterisation of its activities, it also provides billing services directly to patients. The proposed amendments would, on one hand, attempt to give the appellant a right of exclusive use to the marks insofar as medical professionals are concerned, but deny to the appellant any right of exclusive use insofar as members of the public were concerned. However, the Service was one service being provided both to medical professionals and patients. Her Honour held that by the amendments

the appellant was trying to divide a service into segments which did not exist. The amendments made no material difference to the actual nature of the Services as they exist and are performed and, if they do anything, it is to introduce an unacceptable ambiguity into the specifications which cannot be assumed to confine the Services in the way that the appellant wishes.

265 The appellant submits that the primary judge erred in considering that no effective limitation could be placed on the specifications to achieve registration of the marks, arising from her Honour's treatment of the Services as being indivisible from a wider class of services provided at the medical centres which is not claimed by the appellant. The appellant submits that the marks are not invalidated merely because the scope of the Services in respect of which registration is sought is *narrower* than the intended use of the mark by the appellant.

266 The appellant's submission suggests that the primary judge found that the appellant's marks could not be registered *because* their intended use was wider than the scope of the Services in respect of which registration was sought. Her Honour made no such finding. Her Honour's conclusion that the Services were integral to and indivisible from the clinical care provided to patients at the appellant's centres did not, of itself, mean that the marks could not be registered. Rather, that conclusion demonstrated that the appellant provided the Services to patients, as well as health practitioners. This meant that patients were "concerned with" the Services and the ordinary signification of the marks to patients was relevant under s 41(3) of the TMA.

267 Her Honour's conclusion as to the indivisibility of the Services from clinical care led to the conclusion that the proposed amendments would not assist to make the trade marks distinctive of the Services. That is because amending the specifications did not affect the nature of the Services or to whom they are to be provided. Therefore, for s 41(3) of the TMA, the amendments would not affect the identification of the "target audience", or the ordinary signification of the marks. The primary judge's reasoning as to the lack of utility of the proposed amendments was logical and has not been demonstrated to contain error.

268 Her Honour also found (at J [81]) that the amendments would introduce unacceptable ambiguity into the specifications. The appellant's submissions do not challenge that finding.

269 At the end of the appellant's oral submissions in reply in the appeal, counsel for the appellant handed up a draft condition which they said could be attached to the registration, to the effect that the appellant must not use the marks in any way that may be seen by anyone other than medical professionals. The Court directed that the appellant provide supplementary written

submissions identifying the basis on which the appellant contended that the Court should take the further draft condition into account. The appellant subsequently filed submissions attaching, without leave, a different version of the condition it contended should be imposed.

270 The respondents submit that the appellant requires leave to advance any new condition in the appeal and that leave should be refused. They argue that the new condition was not one advanced before the primary judge, that it does not arise out of any ground of appeal and that the condition lacks merit in any event. Those submissions should be accepted.

271 An appellate Court will not usually allow an appellant to raise a new argument which, whether deliberately or by inadvertence, it failed to put during the hearing when it had an opportunity to do so: *Metwally v University of Wollongong* (1985) 60 ALR 68 at 71; *Vella v Minister for Immigration and Border Protection* (2015) 326 ALR 391 at [18]. As a general rule a party is bound by the conduct of its case: *Park v Brothers* (2005) 222 ALR 421 at [34].

272 However, there may be circumstances in which the interests of justice may lead an appellate court to permit a party to raise a point that was not taken at trial: *Park v Brothers* at [34]. In *VUAX v Minister for Immigration and Multicultural and Indigenous Affairs* (2004) 238 FCR 588, the Full Court said at [48].

The Court may grant leave if some point that was not taken below, but which clearly has merit, is advanced, and there is no real prejudice to the respondent in permitting it to be agitated. Where, however, there is no adequate explanation for the failure to take the point, and it seems to be of doubtful merit, leave should generally be refused.

273 The appellant has offered no explanation for why it failed to advance its argument concerning the new condition before the primary judge. Further, the argument is of doubtful merit. The appellant submits that the condition would ensure that the appellant's use of the trade marks would not be likely to deceive or cause confusion within s 43 of the TMA or be misleading or deceptive within s 42(b) of the TMA, taken with s 18 of the ACL. However, the new condition would permit misleading or deceptive use of the trade marks directed to medical professionals who are not familiar with the appellant's business model, the primary judge having found (at J [172]) that the vast bulk of GPs in Australia are not acculturated to the appellant's business model. The appellant should not be permitted to advance its new argument in the appeal.

274 Grounds 3 and 4 of the notice of appeal must be rejected.

The appellant's grounds of appeal concerning s 41(3) of the TMA

275 The appellant's notice of appeal raises three grounds challenging the primary judge's findings relevant to s 41(3) of the TMA:

- 5 The primary judge erred in finding (at J [99], [103], [106], [113]) that the descriptive meaning of the words "primary health care" is "first level or first contact health care" and that meaning was and is the only ordinary signification of the words.
- 6 The primary judge ought to have found on the evidence that the meaning of the words "primary health care" depends on the context in which the words are used, and that when used in connexion with the Services the words mean the appellant, including its Services.
- 7 The primary judge erred in finding (at J [126]) that the phrase "primary health care" does not have an inherent capacity to distinguish the appellant's Services from those of other persons.

Particulars

The primary judge erred:

- (i) in finding (at J [124]) that as at the Priority Date (and to date) the meaning of the phrase "primary health care" directly described the Services, having found (at J [165], [174]) that clinical care is a "key component" or "indispensable part" of primary health care and that the appellant does not provide clinical care.
- (ii) in finding (at J [71]) that the relevant class of persons for determining the ordinary signification of the words "primary health care" in the context of Services includes not only health care professionals but other participants in the health care system and the public who are potential patients at the appellant's medical centres;
- (iii) in finding (at J [117]) that the meaning of "primary health care" (as "first level or first contact" health care) would have been understood by a substantial number of people seeking access to health care as at the Priority Date.

The primary judge's findings relevant to the s 41(3) TMA grounds

276 The respondents argued before the primary judge that the marks are not inherently adapted to distinguish the Services to any extent because the marks merely describe the kind of services of which the Services form part (ie primary health care), or the sector of health care in which the Services are performed (ie the primary health care sector). They submitted that the phrase "primary health care" derives its meaning from the ordinary meaning of its constituent parts, that meaning being "first level" or "first contact" health care.

- 277 The respondents argued that the Services are integral to the provision of primary health care in Australia. They argued that the Services are supplied in the primary health care sector of the health care system. They submitted that the phrase “primary health care” is thus merely descriptive of the Services or the sector in which they are supplied and is not inherently adapted to distinguish the Services.
- 278 The appellant submitted that there is no ordinary or plain meaning in the English language for the phrase “primary health care”. In particular, the appellant submitted that the adjective “primary” is not commonly used or understood to describe medical services or sections of the health care system. It submitted that even amongst health professionals, the evidence showed that the phrase has a meaning only in the narrow government public health policy arena, but, even in that arena, the phrase has no single ordinary descriptive meaning. Further, when the phrase is used in connection with the appellant, to GPs the phrase means the appellant and its Services.
- 279 The appellant submitted that it does not provide any health services and the trade marks are merely allusive of the clinical services provided by health practitioners.
- 280 The primary judge commenced by examining a number of public health policy documents and the evidence of seven witnesses involved in the public health sector regarding the meaning of the phrase “primary health care”. Her Honour found (at J [99]) that to those involved in public health policy in Australia, the ordinary signification of the phrase is “...that part of the Australian health care system which provides first level health care, being the health care received as a result of the first contact between an individual and a health care system (or, in shorthand, first level or first contact health care)” (which her Honour described as the “**core meaning**”). Her Honour continued that “primary health care” was, and is, understood by those involved in public health policy to include the health care provided by GPs.
- 281 Her Honour said (at J [100]) that the appellant’s case appeared to rest on a belief that there is a clear dividing line between what the appellant characterised as the “narrow” area of public health policy and the broader provision of clinical services in Australia. Her Honour did not consider that such a distinction would bear too much weight. Her Honour said that, in one sense, all GPs in Australia work within the public health sector, as they are trained within, regulated by and interact with the public health care system. Accordingly, all GPs are, to some extent, concerned with public health policy.

282 Her Honour noted that the respondents' witnesses who worked in the public health sector had also heard of the appellant and understood the appellant to operate medical centres. The effect of their evidence was that, depending on the context, they would understand when the words "primary health care" took their core meaning and when they were intended to refer to the appellant. Her Honour concluded that nonetheless this did not affect the core meaning.

283 The primary judge then turned (at J [104]) to examine the evidence called by the appellant from twelve GPs as to the meaning of "primary health care". Her Honour summarised that evidence as follows. Five GPs were aware of the core meaning of the phrase (as first level or first contact health care) before the priority date. Two GPs were aware of the core meaning before the priority date, but considered it was confined to the public health policy context. Four GPs did not say whether they knew of any meaning of the phrase other than as a reference to the appellant as an entity operating medical centres. All the GPs described their understanding of the phrase as a reference to the corporate entity which owns, operates or runs medical centres. Only one GP also described her understanding of the phrase as a reference to the corporate entity providing the Services.

284 Her Honour pointed to other evidence which supported the conclusion that, since before the priority date, "primary health care" meant first level or first contact health care in Australia, of which GPs formed a critical part. Her Honour noted (at J [106]) that the appellant's prospectus had referred to "the size of the primary health care industry". Her Honour referred to the appellant's sponsorship of a conference which it described as Australia's "primary health care event of the year". Her Honour also referred (at J [108]) to evidence that Dr Bateman had adopted the corporate name because he considered that it "reflected the services that would be available to patients attending the centres". Her Honour said that, in other words, the founder of the company must be taken to have known that GPs were providing primary health care services to patients.

285 The primary judge (at J [109]) addressed the appellant's submission that it was a consistent theme in public health literature that the phrase "primary health care" does not have any clearly defined scope of meaning. Her Honour said that, understood in context, those statements convey that the phrase is a broad term that can be used in different contexts to mean *more than* the core meaning. Her Honour said that there is no suggestion in that material that the core meaning is in dispute, unclear or ambiguous, or that GPs are not providing primary health care.

286 Her Honour concluded (at J [113]-[114]):

[T]he weight of the evidence supports the conclusion that as at the priority date the ordinary signification of the phrase “primary health care” to a substantial number of persons involved in the provision of health care in Australia was the first level of health care available in the health system incorporating GPs but also other health professionals who would be the first point of contact between an individual and the health care system or, in shorthand, first level/first contact health care.

The fact that the phrase also meant an approach to health care in which that first level of care was integrated with the national health system and, as part of that integration, incorporated other socio-economic objectives (not all of which a substantial number of people involved in health care would necessarily agree about) does not mean that the phrase had or has no ordinary signification. Nor does the fact that, at the priority date, a number of people involved in the health care system also knew that the phrase was the name of a corporation which owned, operated and/or ran medical centres. In respect of this last observation, it will be noted that the applicant’s evidence was weighted in favour of GPs who had either been recruited by the applicant or had been in discussions with the applicant for that purpose or had some specific reason for having known about the applicant. Further, even when the GP did have reason to know of the applicant’s business model, no-one but Dr Gabriel described it as involving the provision of the Services to GPs and health professionals.

(Emphasis added.)

287 The primary judge then turned to consider how members of the public, or patients, would understand the phrase “primary health care”. The appellant submitted that the public would have no understanding of the phrase, relying, in particular, on a Commonwealth government 2009 *Report to Support Australia’s First Primary Health Care Strategy* which stated that “primary health care is a term that is not widely used or even understood”. Her Honour found that, when read in context, the document made no suggestion that “primary health care” does not mean first level or first contact health care.

288 Her Honour concluded (at J [117]):

I also consider that this core meaning, of first level or first contact health care, would be understood by a substantial number of people seeking to access health care as at the priority date. That is, if a person saw “primary health care” in the context of seeking health care for themselves or a family member or associate, they would understand the reference to be to a form of health care, being first level/first contact health care. They would do so because of the ordinary meaning of each word which makes up the phrase. While such a person may not distinguish between primary, secondary and tertiary levels of health care, or think of primary health care as an approach to health care in the extended sense of the term as used in the health policy context, they would understand the ordinary signification of the phrase to be first level/first contact health care. Such a person, moreover, would be very unlikely to associate the phrase with the applicant because the applicant’s marketing is targeted at GPs, not members of the public.

(Emphasis added.)

289 The primary judge turned to the question of whether “primary health care” has a descriptive or an allusive meaning. Her Honour stated that the Services are integral to the provision by the

health practitioners of primary health care services to patients who attend the centres. Her Honour found that the distinction sought to be drawn by the appellant between the provision of the Services and the provision of clinical care was unreal because the Services are part of the overall service a patient receives when attending the medical centre, and, to some extent, are also part of the medical or clinical care the patient receives. For example, it is part of the medical care of a patient that a GP be able to access the patient's clinical records and for the centre to have any necessary medical supplies available. Her Honour considered that from the moment a patient makes a booking or attends a centre, they are receiving aspects of the Services. Her Honour accepted the respondents' submission that in a real world context, the Services are inextricably bound up with the provision of medical and clinical services by GPs and allied health care professionals through the medical centres, and are part and parcel of the provision of primary health care.

290 The primary judge held (at J [122]) that once it is recognised that the Services are provided as part of the operation of medical centres, "it is apparent that the applicant is in the business of providing primary health care".

291 Her Honour concluded at (at J [124]):

In this context, if the question is posed whether, at the priority date, other persons involved in the Australian health care system, in the ordinary course and without improper motive, might wish to use the phrase "primary health care" in connection with the Services; the answer must be "yes". Every GP and every medical centre is providing primary health care and, in so doing and in one way or another, is performing or having performed the Services to enable that provision. The phrase was at the priority date, and remains, a direct description of the activity of which the Services form part. The phrase does not have an inherent capacity to distinguish the Services as offered by the applicant from the same services however and by whomever they might be performed. The phrase is not a skilful allusion to the clinical services that GPs provide in asserted distinction from the administrative and managerial character of the Services. Because the distinction is artificial, the phrase is directly descriptive of the Services. The other persons who might legitimately wish to use the phrase "primary health care" in connection with services the same as the Services include all government departments involved in the health care system, all providers of primary health care, all businesses like that of the applicant involved in the provision of primary health care, and all members of the public.

(Underlining added.)

292 Her Honour decided that the addition of the logo to the mark PRIMARY HEALTH CARE did not give the mark any additional inherent adaptability to distinguish. Her Honour concluded that the marks are not inherently adapted to distinguish the Services from the services of others of the same kind to any extent.

Consideration of s 41(3) TMA grounds

293 The appellant's written submissions assert that there are three errors in the primary judge's "approach" to s 41(3) of the TMA. These asserted errors are not stated with precision, nor do they identify which grounds of appeal the errors relate to. For example, the written submissions describe the first error being that the primary judge's approach "treats as a direct reference an allusion". Thus, the asserted error seems to be simply that her Honour erred by finding that the phrase "primary health care" is directly descriptive of the services. It is cast at a level of generality that is quite unhelpful.

294 The appellant's written submissions as to the first error in her Honour's approach say that her Honour determined the core meaning of "primary health care" to be either "first level" or "first contact" health care and criticise a lack of precision in that determination. The submissions then say that the eleven volumes of documents tendered by the respondents contradict the respondents' proposition that there is only one ordinary meaning of the term. That material is said to include the 2009 *Report to Support Australia's First Primary Health Care Strategy* which stated that the term "is not widely used or even understood". None of these submissions identify the errors that are said to have been made by the primary judge. The appellant's oral submissions have not clarified or expanded upon these aspects of the written submissions. However, it may be inferred that these submissions are intended to support Grounds 5 and 6 of the notice of appeal.

295 The appellant's written submissions identify the second asserted error in the primary judge's approach to s 41(3) of the TMA with greater particularity. They state that her Honour's identification of a meaning of "primary health care" to participants in public health policy, as a first step, was irrelevant to s 41(3) of the TMA as such persons are not consumers of the services. The appellant submits that the Services are provided in a specialised market and what was relevant was the ordinary signification of the phrase for health professionals consuming or likely to consume those services (and even, on her Honour's reasoning to the indivisibility of services, members of the public). The submissions argue that her Honour's approach in first determining the ordinary signification of the phrase in the public health sector, and then applying that determination to the relevant market, without evidence that such an extrapolation was appropriate, was erroneous. The submissions continue that the extension of the "core meaning" of the phrase to a "substantial number of people seeking access to health care as at the priority date" was not supported by any evidence. The appellant submits that the respondents made no attempt to discharge their onus of proving any understanding of members

of the public, let alone substantial numbers of the public. It also criticises the finding as internally inconsistent, her Honour having found that while members of the public may not “distinguish between primary, secondary and tertiary levels of health care or think of it as an approach to health care”, they would understand that “ordinary signification of the phrase” as “first level/first contact health care”. These submissions appear to be intended to support Ground 7 of the notice of appeal.

296 The appellant’s written submissions identify the third asserted error in the primary judge’s approach as that by searching for and determining there to be but one ordinary meaning of the phrase “primary health care”, irrespective of the context in which it is used, her Honour disregarded much of the evidence and the significance of other findings that had been made by her Honour. The submissions continue that the evidence demonstrates that the meaning of the phrase is understood according to the context in which it is used, and when used in relation to the operation of the medical centres it is understood by people in the health sector to mean “Primary Health Care Limited”. These submissions appear to correlate with Ground 6 of the notice of appeal.

297 The respondents’ submissions criticise the appellant’s lack of precision in identifying the errors said to have been made by the primary judge and articulating why the findings challenged by the appellant are erroneous. That criticism is justified. However, it lies within the province of the Court to attempt to reconcile the grounds set out in the notice of appeal with the appellant’s written and oral submissions (including a list of “Propositions” produced by the appellant during argument) in order to understand the appellant’s case.

298 The appellant’s case can be understood as asserting that the primary judge made the following errors in applying s 41(3) of the TMA:

- (1) Her Honour erred in finding that the target audience for the trade marks includes:
 - (a) patients; and
 - (b) persons involved in the public health care sector;when those groups are irrelevant to the inquiry; and her Honour should have instead found that the target audience for the Services is limited to health practitioners.
- (2) Alternatively, her Honour erred by making the dominant focus of the enquiry the ordinary signification of “primary health care” to classes of people who are only indirectly or incidentally concerned with the Services (patients and persons in the public

health sector), rather than the persons who are directly concerned with the Services as purchasers (health practitioners).

- (3) Her Honour’s approach in first determining the ordinary signification of the phrase in the public health sector, and then applying that determination to the relevant market, without evidence that such an extrapolation was appropriate, was erroneous.
- (4) Her Honour erred in finding that the ordinary signification of “primary health care” is “first level or first contact” health care, because:
 - (a) her Honour should have found on the evidence that there is no ordinary signification of that phrase;
 - (b) her Honour should not have found that there is only one ordinary signification of the phrase;
 - (c) her Honour’s identification of the ordinary signification is uncertain and ambiguous;
 - (d) there was no evidence proving any understanding of members of the public, let alone substantial numbers of the public;
 - (e) alternatively, her Honour ought to have found that the meaning of the phrase is to be understood according to the context in which it is used;
 - (f) her Honour ought to have found on the evidence that when the phrase is used in relation to the appellant’s operation of medical centres, its ordinary signification to health practitioners is the appellant and the Services;
 - (g) her Honour ought to have found that even if the ordinary signification of the trade marks is “first level/first contact health care”, the marks distinguish the Services to some extent.

299 In addressing the appellant’s submissions, it will be necessary to consider what is meant by “inherently adapted” in s 41(3) of the TMA, from whose perspective it is to be judged whether the mark is adapted to distinguish, and the relevance of the nature of the designated services and the way the services are intended to be used.

300 Under s 41(3) of TMA, the capacity of the mark to distinguish the designated goods or services depends on the “ordinary signification” of the mark, which must be determined from the perspective of the “target audience”, which in turn depends on the nature of the goods or

services and their intended use. The intended use of the goods or services may be assessed by reference to past and present use. As Lindgren J said in *Kenman Kandy*:

84 While inherent adaptation to distinguish requires attention to be focused on the mark itself, and is intended to stand in sharp contrast to a mark's capacity to distinguish arising from use, the notion of "the mark itself" does not exclude from consideration the nature of the range of goods within the class or classes in respect of which registration is sought, or the various ways in which the mark might, within the terms of the registration, be used in relation to those goods. Indeed, those matters must be taken into account.

301 In *Cantarella Bros Pty Limited v Modena Trading Pty Limited*, the majority judgment of the High Court of Australia explained the relevance of the "ordinary signification" of the words of a trade mark to the enquiry under s 41(3) of the TMA and the "target audience" whose understanding is relevant:

59 The principles settled by this Court (and the United Kingdom authorities found in this Court to be persuasive) require that a foreign word be examined from the point of view of the possible impairment of the rights of honest traders and from the point of view of the public. It is the "ordinary signification" of the word, in Australia, to persons who will purchase, consume or trade in the goods which permits a conclusion to be drawn as to whether the word contains a "direct reference" to the relevant goods (prima facie not registrable) or makes a "covert and skilful allusion" to the relevant goods (prima facie registrable)....

...

70 ...[D]etermining whether a trade mark is "inherently adapted to distinguish", as required by s 41(3), requires consideration of the "ordinary signification" of the words proposed as trade marks to any person in Australia concerned with the goods to which the proposed trade mark is to be applied.

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

(Citations omitted, emphasis added.)

302 It may be seen from *Cantarella* that the enquiry under s 43(1) of the TMA required consideration of persons in the “target audience” for the trade marks. Although the majority in *Cantarella* described that audience as “persons who will purchase, consume or trade in the goods”, that was not an exhaustive description. The majority went on to say that the ordinary signification of the trade mark to “any person in Australia concerned with the goods” is to be considered. However, the majority cannot be taken to suggest that any class of persons with some interest in the goods or services, no matter how remote, is to be considered.

303 The first step under s 41(3) of the TMA was to determine the ordinary signification of the trade mark to purchasers, consumers, traders and any other persons in Australia sufficiently concerned with the designated goods or services. The next step was to consider whether other traders might legitimately need to use the mark in respect of their own goods or services. That step was necessary because as Kitto J explained in *Clark Equipment Company v Registrar of Trade Marks* (1964) 111 CLR 511 at 513 - 514:

The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In *Registrar of Trade Marks v. W. & G. Du eros Ltd. Lord Parker of Waddington ...* said: “The applicant’s chance of success in this respect [i.e. in distinguishing his goods by means of the mark, apart from the effects of registration] must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connexion with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what others may legitimately desire to use.” The interests of strangers and of the public are thus bound up with the whole question, as *Hamilton L.J.* pointed out in the case of *R. J. Lea, Ltd.*; but to say this is not to treat the question as depending upon some vague notion of public policy: it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives – in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess – will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

(Citations omitted, emphasis added.)

304 In *Telstra Corporation Ltd v Phone Directories Company Australia Pty Ltd* (2015) 237 FCR 388, the Full Court said:

[126] If a word mark is taken as an example, the ordinary signification of the mark, and the question of “whether other traders are likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own

goods” (*W & G Du Cros* at 635 per Lord Parker) ...are closely related questions...

[127] A consideration of what persons in the trade or other traders might want to do includes, at least in the ordinary case, a consideration of the views of consumers of the relevant goods or services because the perceptions of traders in goods and services will be based on, or strongly influenced by, the perceptions of the consumers of those goods and services.

305 The primary judge commenced her consideration of s 41(3) of the TMA with the ordinary signification of “primary health care” to persons in the public health sector. The appellant submits that the understanding of those persons was irrelevant as they are not part of the target audience. Her Honour’s reasons do not expressly explain why the understanding of those persons was relevant.

306 However, her Honour’s reasoning may be inferred from several passages that appear later in the reasons. Her Honour said (at J [124]) that the persons who might legitimately want to use the phrase “primary health care” in connection with the Services include all government departments involved in the provision of primary health care. That finding seems connected with references later in the reasons to proceedings issued by the appellant against Australian General Practice Network Limited (**AGPN**) and several Divisions of General Practice in 2010. The Divisions of General Practice were voluntary associations of GPs which received public funding. AGPN was an umbrella entity for those Divisions. AGPN had applied to register a business name and trade mark AUSTRALIAN PRIMARY HEALTH CARE NETWORK in connection with health services. The proceeding was settled when AGPN agreed not to use the trade mark. Her Honour found (at J [150]) that the Divisions had ample legitimate reason to wish to rebrand themselves as organisations involved in primary health care, being connected with Commonwealth Government policy initiatives about primary health care. Her Honour held that the actions of the Divisions are good evidence of other organisations (including government funded clinics or public/private partnerships) involved in primary health care wishing, without improper motive, to use the phrase to describe their services of the same nature as the Services.

307 Accordingly, her Honour regarded Commonwealth and State government departments or instrumentalities and others involved in the provision of public health care as potentially wishing to make use of the words “primary health care” for their ordinary signification in connection with their own services. Her Honour seems to have regarded these entities as “rival traders” who are “concerned with” the Services.

308 One possible difficulty with her Honour’s analysis is that a mark is only used as a trade mark if it is used in the course of trade. In *E & J Gallo Winery v Lion Nathan Pty Ltd* the plurality stated at [44]:

It can also be noted that the reference in s 17 to “the course of trade” encompasses the idea that use of a trade mark is use in respect of “vendible articles”. A mark is used only if it is used “in the course of trade”.

(Footnotes omitted.)

309 The expression “rival traders” requires that the rival engage in trade. Her Honour said (at J [151]) that government departments or instrumentalities may provide public funding for clinics or engage in public/private partnerships involving provision of primary health care. Her Honour found that such clinics or partnerships may well wish to use the trade marks “because they are in the *business* of providing primary health care”. That finding has not been challenged in the appeal. Her Honour considered that government departments or instrumentalities may wish to use the trade marks for their ordinary signification in the course of trade.

310 For these reasons, the appellant has not demonstrated that her Honour erred in finding that the understanding of “primary health care” to those involved in the public health sector was relevant to the enquiry under s 41(3) of the TMA.

311 The appellant’s submission that the target audience for the Services does not include patients must also be rejected. Her Honour found that the appellant provides many of the Services to patients and, as has been explained, there is no basis to set aside that finding. It is true that patients do not directly pay for the Services (and there was no explicit finding that they pay indirectly), but a person may consume a product without purchasing it. For example, in *Telstra Corporation Ltd v Phone Directories Company Australia Pty Ltd* on appeal (and at first instance (2014) 316 ALR 590), where businesses paid to advertise in paper and online telephone directories, but the directories were made available to the public without charge, the public were regarded as consumers. In *Canteralla*, in the phrase “persons who will purchase, consume or trade in the goods” at [59], a distinction was drawn between purchasers and consumers. In this case, the patients are consumers of many of the Services. The appellant has not shown that her Honour erred by treating patients as a class of persons concerned with the Services and part of the target audience to be considered when determining the ordinary signification of “primary health care”.

312 The appellant next submits that her Honour erred by making the dominant focus of the enquiry the ordinary signification of “primary health care” to patients and persons in the public health

sector when those classes are only indirectly or incidentally concerned with the Services. The appellants submit that the focus should have been on health practitioners as the purchasers of the Services and, therefore, the class of persons most directly concerned with the Services.

313 There may be various classes of persons “concerned with” the designated goods or services. The nature, extent and degree of such concern may vary from class to class. In particular, some classes, such as traders and purchasers, may have a greater interest than others in distinguishing the goods or services of one trader from another. It is also possible that different classes will have different understandings of what is conveyed by the trade mark. It is logical that in determining the ordinary signification of the trade mark, the greatest attention would usually be given to the understanding of the classes with the closest and most direct concern with the designated goods or services (leaving aside the applicant for registration). This will often be rival traders or direct purchasers. It is also logical that the more remote the concern of a class, the less relevant will be the understanding of that class. Having said that, the ordinary signification of a trade mark is a question of fact for the Registrar (and the judge hearing an appeal against the Registrar’s decision).

314 In this case, the primary judge commenced with consideration of the ordinary signification or understanding of the phrase “primary health care” to people in the public health system. As has been discussed, her Honour regarded government departments and instrumentalities as potential traders. Her Honour then moved to consideration of the perceptions of health practitioners, particularly GPs. Then her Honour considered the signification of the phrase to patients. The order in which her Honour addressed the various classes does not say anything about the weight accorded to the perceptions of those classes. Nor is it otherwise discernible from the reasons that her Honour focused on patients and persons in the public health sector to a greater extent than health practitioners. The appellant has not demonstrated the premise of the asserted error, namely that her Honour made persons involved in the public health system and patients the dominant focus of the enquiry. In any event, her Honour determined that the ordinary signification of the phrase to *each* class is “first level/first contact health services”. Therefore, even if her Honour made the asserted error, it made no difference to the outcome of the enquiry.

315 The appellant’s next submission is that the primary judge’s approach in first determining the ordinary signification of the phrase “primary health care” to those in the public health sector, and then applying that determination to the market for the Services without evidence that such

an extrapolation was appropriate, was erroneous. Her Honour first decided, on the evidence, that the ordinary signification to people in the public health sector when used in relation to the Services was “first level/first contact care”. Then her Honour decided, by reference to the evidence of the GPs called by the appellant and evidence as to the appellant’s own use of the phrase, that the ordinary signification was the same to health practitioners. Her Honour then reached the same conclusion in respect of patients by reference to the ordinary meaning of the trade marks to patients. Contrary to the appellant’s submission, her Honour did not merely extrapolate the outcome of the enquiry for the public health sector to the other relevant classes of persons. Rather, her Honour separately considered each class and reached a separate, but consistent, conclusion in relation to each class.

316 The appellant’s next tranche of submissions asserts errors by the primary judge in finding that the ordinary signification of “primary health care” in relation to the Services was “first level/first contact health care”.

317 The appellants submit that the primary judge’s identification of the ordinary signification of “primary health care” as “first level” or “first contact” health care is uncertain and ambiguous because it begs the question as to which of the two options it is. However, her Honour held (at J [113]) that the ordinary signification of the phrase is “...that part of the Australian health care system which provides *first level* health care, being the health care received as a result of the *first contact* between an individual and a health care system (or, in shorthand, first level or first contact health care)”. Although her Honour’s shorthand for that signification of “first level or first contact health care” (and later “first level/first contact health care”) may suggest some uncertainty or ambiguity, the finding admits of no uncertainty or ambiguity when considered in full. Her Honour found that there was a single relevant signification.

318 The appellant submits that the primary judge’s finding as to the ordinary signification of the phrase “primary health care” to patients was unsupported by evidence. Her Honour found that a substantial number of people seeing the phrase in the context of seeking health care would understand the reference to be to a form of health care, being “first level/first contact health care”, because of the ordinary meaning of each word which makes up the phrase.

319 It is well established that evidence as to the ordinary meaning of English words is not required. In *Joske v Dental Cash Order Company Pty Ltd* (1916) 21 CLR 172, Issacs J said at 178:

And as the ordinary meaning of English words is notorious and of public knowledge, we must take judicial notice of it, refreshing our minds with dictionaries and generally

accepted works if necessary.

320 In *Brisbane City Council v Attorney-General* [1979] AC 411, the Privy Council said at 423:

“Showground” is a word of normal parlance; not a term of art requiring interpretation with expert assistance. It is a word to be interpreted by the judge, using his knowledge of the language, and his acquaintance with accepted applications of the word to situations arising in the normal life of the community in which he lives. Judicial knowledge is the knowledge of the ordinary wide-awake man, used by one who is trained to express it in terms of precision.

321 The class of people (patients) who may seek access to medical care at the appellant’s medical centres, and therefore use the Services, cannot be described more narrowly than “the general public”. The issue for her Honour was the meaning of the phrase “primary health care” to the general public. That depended on the ordinary meaning of the phrase having regard to each of the words in the phrase, in the context of the services the phrase was applied to.

322 Each of the words comprising the phrase “primary health care” is an ordinary English word. The word “primary”, like a great many ordinary English words, has more than one meaning. Its meaning varies with the context. For example, there may be a “primary colour” or a “primary meaning”, while references in these reasons to “the primary judge” are to the “first level judge”. Her Honour was entitled to take judicial notice of the meaning of the individual words comprising the phrase and the meaning of the combination of words in their context. Her Honour held that the meaning in the context of the provision of the Services was “first level/first contact health care”. It was not necessary for evidence to be led to prove the meaning of the phrase to the general public.

323 Evidence is admissible to demonstrate the ordinary signification of a word or combination of words to a class of persons, or to demonstrate that, in the context, words do not have their ordinary meaning: see *FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd* (1965) 112 CLR 537 at 555, *Telstra Corporation Ltd v Phone Directories Company Australia Pty Ltd* (on appeal) at [126]. The appellant submits that the eleven volumes of documents tendered by the respondents contradicted the respondents’ proposition that there is only one ordinary meaning of the term. This appears to be a submission that her Honour’s finding that the “core meaning” of “primary health care” was “first level/first contact health care” was against the weight of evidence.

324 However, in their written and oral submissions in the appeal, the only document referred to by the appellant in support of that submission is the 2009 *Report to Support Australia’s First Primary Health Care Strategy (the Report)*. The Report states that:

[P]rimary health care is a term that is not widely used or even understood with most people simply distinguishing between the health care they receive in the community and health care they receive in hospital.

While there are a number of definitions available, including from the World Health Organisation and the Australian Primary Health Care Research Institute, in practice there is no absolute or consistent view about whether particular settings and services are part of primary health care or not.

325 The primary judge understood the points being made in the Report to be that, firstly, members of the public, in contrast to people involved in health care, do not think in terms of primary, secondary and tertiary health care, and secondly, there is room for debate between those involved in health care about whether a particular activity involves primary health care or some other level of care. Her Honour pointed out that the health care people receive in the community is primary health care, so the distinction the Report says most people draw in fact reflects the health policy meaning of the phrase. Her Honour concluded (at J [116]) that, when read in context, the Report does not suggest that a member of the public confronted with the phrase would not understand the phrase to mean “first level/first contact health care” as a result of the ordinary meaning of each of the words.

326 The primary judge’s analysis of the Report must be seen in the context of the other evidence considered by her Honour in the course of determining that the phrase has the core meaning of “first level/first contact health care”. That evidence included the evidence of seven witnesses involved in public health policy, a number of public health policy documents, the evidence of GPs called by the appellant and the appellant’s own documents using the phrase consistently with the core meaning.

327 The primary judge’s construction of the Report involved findings of fact which, together with other findings of fact, went towards the determination of the understanding of the phrase by people involved in the public health care sector and health practitioners. No error in her Honour’s analysis of that document has been demonstrated.

328 The appellant submits that the primary judge’s reasons are internally inconsistent in dealing with the understanding of members of the public. Her Honour, construing the Report, said (at J [116]), “The points being made are first that members of the public, in contrast to those involved in health care, do not think in terms of primary, secondary and tertiary health care...” Later her Honour said at [117]:

I also consider that this core meaning, of first level or first contact health care, would be understood by a substantial number of people seeking to access health care as at the priority date. That is, if a person sought “primary health care” in the context of seeking

health care for themselves or a family member or associate, they would understand the reference to be a form of health care, being first level/first contact health care.

329 Her Honour seems to have accepted that members of the public would not usually think of themselves as receiving primary, secondary, or tertiary health care. However, that is not to say that “primary health care” would not have an ordinary signification to members of the public when they are confronted with the phrase. Understood in context, there is no inconsistency between the quoted passages.

330 The appellant submits that the primary judge found that there was only one meaning of the phrase “Primary Health Care”, but ought instead to have found that its meaning is to be understood according to the context in which it is used. However, her Honour did not find that the phrase has only one meaning. Her Honour considered (at J [109]) that the phrase could have a different meaning in different contexts. Her Honour accepted that health practitioners recruited by or exposed to marketing by the respondent would understand the phrase to also refer to the corporate entity which owns and operates medical centres. Her Honour found (at J [117]) that persons with an interest in publically listed companies operating in the health care sector would also have such an understanding, but that “people within this class could not be assumed to be a substantial proportion of the general public”. Her Honour found that the phrase also has its core meaning of “first level/first contact”, which is the ordinary signification to a substantial number of people in Australia, including those in the public health sector, patients and health practitioners who had not been exposed to the appellant’s marketing. Therefore, the appellant’s submission that the primary judge found that “primary health care” has only one meaning and failed to find that its meaning could vary with the context is incorrect.

331 The appellant submits that the primary judge ought to have found on the evidence that when the phrase is *used* in relation to the appellant’s operation of medical centres, its ordinary signification to GPs is the appellant and the Services. Her Honour found (at J [105]) that the evidence of the GPs (other than one) called by the appellant was that they were aware of the appellant as the corporate entity which operates medical centres to which it recruits GPs. Her Honour found that the GPs (other than one) did not describe their understanding of the phrase as a reference to the appellant providing the Services.

332 There is a fundamental difficulty with the appellant’s submission. The inquiry under s 41(3) of the TMA is narrower than the inquiry under s 41(2). The former requires that the Registrar take into account only the extent to which the trade mark is “inherently adapted” to distinguish the designated goods or services from the goods and services of other persons. As to what is

meant by “inherently adapted”, in *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417, Gibbs J said at 424:

Inherent adaptability is something which depends on the nature of the trade mark itself...and therefore is not something that can be acquired; the inherent nature of the trade mark itself cannot be changed by use or otherwise.

333 The capacity of a trade mark to distinguish arising from its *use* cannot be considered under s 41(3) of the TMA. The position is different under s 41(5)(a)(ii) and (6) of the TMA.

334 The evidence of Thomas Bateman showed that the appellant had operated its business under the name “Primary Health Care” since its incorporation in 1998. The twelve GPs who gave evidence had an association with the appellant in various ways. Some had discussions with the appellant about practicing from one of the appellant’s medical centres and, of these, some were in fact recruited. One worked for a competitor of the appellant. One has a friend who was recruited by the appellant. Two provide services to the appellant. Two are employed by the appellant. Each of these GPs became aware of the name “Primary Health Care” as a result of the use of that name by the appellant in connection with the operation of medical centres. The appellant therefore relies on the capacity of the phrase to distinguish the Services arising from its *use*. But that is not a matter that can be considered under s 41(3) of the TMA.

335 However, the appellant’s submission that the primary judge ought to have found that the ordinary signification of the phrase to GPs is the appellant and the Services is relevant to the grounds concerning s 41(5) and (6) of the Act and will be considered in that context later in these reasons.

336 The primary judge found (at J [105]) that all the GPs who gave evidence (other than one) described their understanding of the phrase in connection with the appellant as referring to the appellant as a corporate entity which *owns, operates or runs medical centres*, not as an entity providing the *Services* to health practitioners. Her Honour found that the GPs (other than one) did not understand the appellant to be in the business of providing the *Services* to health practitioners. Her Honour found that once this is recognised, it is apparent that the appellant is in the business of providing primary health care (ie first level/first contact medical care) through its operation of medical centres. Thus, the phrase is a direct description of the activity of which the Services form part.

337 The appellant asserts in its “Propositions” document provided during the hearing of the appeal that if the ordinary signification of the trade marks is only “first level/first contact care”, it is

in any event allusive of the Services and is therefore to some extent inherently adapted to distinguish the Services. If that proposition is correct, it would mean that her Honour was required to apply s 41(5), rather than s 41(6) of the TMA. However, the appellant did not develop the proposition in its submissions and the substance of its argument is unknown. Therefore, the proposition cannot be accepted.

338 For these reasons, Grounds 5, 6 and 7 of the notice of appeal must be rejected.

The appellant's ground of appeal concerning s 41(5) of the TMA

339 The notice of appeal contains a single ground which alleges several errors in the primary judge's findings concerning s 41(5) of the TMA.

8. The primary judge erred in failing to find that the Trade Marks do or will distinguish the Services as being those of the appellant and are registrable under s 41 (5) of the Act (J [151], [152]).

Particulars

The primary judge erred:

- (i) in finding (at J [127]) that it is impossible to assume that the Trade Marks are inherently adapted to distinguish the Services to any great extent;
- (ii) in finding (at J [137], [141], [144]) that the Trade Marks were not used by the appellant to any material extent to distinguish the Services in its marketing to health care professionals for recruitment purposes before the Priority Date;
- (iii) in finding (at J [131]) that the Services were "part and parcel" with the operation of a medical centre having found (at J [137], [141], [144]) that marketing in relation to the operation of a medical centre was not use in relation to the Services.
- (iv) in finding (at J [51]) that the combined effect of the matters in s 41 (5)(a)(i)-(iii) does not mean that the Trade Marks do or will distinguish the appellant's Services from the same services offered by others.

The primary judge's findings relevant to the s 41(5) TMA ground

340 Section 41(5) and (6) of the TMA were alternatives. If the Registrar, applying s 41(3) of the TMA, found that the trade marks are not inherently adapted to distinguish the goods or services to any extent, the next stage of the enquiry bypassed s 41(5) and moved to s 41(6). However, the primary judge proceeded to consider s 41(5) in case her finding that the trade marks did not distinguish the Services to any extent was wrong.

341 Although the appellant has not demonstrated any error in the primary judge's findings upon s 41(3) of the TMA, it is necessary to consider the appellant's grounds of appeal concerning s

41(5). That is because her Honour's reasoning concerning s 41(5) is closely connected to her reasoning upon s 41(6).

342 Her Honour commenced with s 41(5)(a)(i) of the TMA, which required the Registrar to consider the extent to which the trade mark is inherently adapted to distinguish the designated goods or services. Her Honour said (at J [128]) that she would assume that the trade marks have some inherent capacity to distinguish the Services.

343 The primary judge then turned to s 41(5)(a)(ii) of the TMA, which required consideration of the use, or intended use, of the trade marks by the appellant. Her Honour noted that the respondents argued that the appellant (or Idameneo) had not used (and had not demonstrated any intention to use) the phrase "primary health care" as a trade mark for the Services, but only in respect of a type of medical practice.

344 Her Honour had found earlier at:

61 Another misconception in the applicant's case is apparent. It is the notion that the applicant is in the business of providing the Services to health professionals. This is inaccurate. The applicant is in the business of operating medical centres to which it recruits GPs and, as part of a much larger set of activities, it also provides the Services to the health professionals who have contracted to work from such a centre. No health professional can simply purchase the Services from the applicant. As part of the applicant's overall activity, but not otherwise, the applicant provides the Services which of their very nature and in many respects are services to not only the GPs and allied health professionals, but also to members of the public and to others involved in the health system.

62 As noted, the applicant, on the evidence, does not offer any GP or allied health professional the Services in isolation. The applicant, for example, does not offer the Services to every GP or allied health professional. The Services are only available to a GP or allied health professional at the medical centre to which the GP or allied health professional has been recruited. Consistent with this, the applicant does not market the Services per se to GPs and allied health professionals. Rather, it markets to GPs and allied health professionals a form of practice from one of its medical centres. The form of practice is to work from a room in one of the applicant's medical centres (GPs are recruited to specific centres and must practice from that centre) which will be fully equipped and supplied by the applicant, with all staff and services necessary for the operation of a medical centre being provided by the applicant in exchange for a fee which is calculated as a percentage of the money earned by the GP from providing clinical services to patients.

(Emphasis added.)

345 As has been noted , her Honour also found (at J [64]):

...Fifth, the applicant has tried to establish acquired distinctiveness by use of the marks in respect of the Services when the applicant does not market the Services at all in and

of themselves, but markets to GPs and allied health professionals a particular form of practice in which, amongst many other things (including the basic requirements of rooms, equipment, medical supplies, cleaning and maintenance), the applicant also provides the Services.

346 The primary judge accepted (at J [130]) that the appellant has a reputation as a company whose name is “Primary Health Care Limited” and that it is known by the medical profession as the owner and operator of a large corporate chain of medical centres in most of the States and Territories of Australia. Her Honour said that this does not mean, however, that a substantial number of members of the medical profession would know of the appellant’s particular business model or the part the provision of the Services plays within that model. Only a health professional who had some particular reason to know of these matters (such as having negotiated with or been recruited by the appellant or having discussed the model with a colleague) would be aware of the appellant’s particular business model.

347 Her Honour referred (at J [131]) to the affidavits of GPs relied on by the appellant and observed that these affidavits tended to focus on the witnesses’ knowledge of the appellant under the name “Primary Health Care” as an entity which operates and/or owns medical centres, and not as a provider of the Services. Her Honour said that this was unsurprising because the Services are “part and parcel” of the operation of a medical centre and the appellant is in the business of recruiting GPs and others to practice from medical centres it operates, of which the Services form but one essential component.

348 The primary judge then considered the use of the trade marks in the appellant’s advertisements and brochures for recruitment of health practitioners, documents concerning training of staff and “Brand Style Guidelines”. Her Honour accepted (at [138]), contrary to the respondents’ submission, that the appellant had used the word mark PRIMARY HEALTH CARE (but not the logo mark) before the priority date to identify the appellant as the source of its business. This was done by using the appellant’s corporate name as a brand to identify the appellant as the source of its business of recruiting GPs to medical centres it operates and by using the word mark in correspondence with GPs as part of the recruitment process.

349 Her Honour concluded (at J [141]):

As discussed, the applicant does not market the Services. It markets a form of practice for the purpose of recruiting GPs and others to one of its medical centres. I do not think it can be said that the evidence supports the conclusion that the marks have been used by the applicant to distinguish the Services or, in fact, do distinguish the Services.

350 Her Honour found (at J [142]) that the intended use of the marks by the appellant is consistent with its past use.

351 Her Honour said she was unaware of any use of the marks by the appellant which focusses on the Services as opposed to the overall form of practice which the appellant offers to GPs and other health practitioners.

352 The primary judge then turned (at J [145]) to whether there were “any other circumstances” under s 41(5)(a)(iii) of the TMA that were relevant. Her Honour accepted the appellant’s submission that no-one else had traded under the name “Primary Health Care” in connection with the Services. However, her Honour noted that the words “health care” are commonly used by other corporate medical service providers which compete with the appellant.

353 Her Honour also observed (at J [147]) that in 2010, the appellant had commenced proceedings for misleading or deceptive conduct in respect of the proposed use of the name “Australian Primary Health Care Network” by AGPN and the Divisions of General Practice. Her Honour said that it was apparent that the Divisions of General Practice had ample legitimate reason to wish to rebrand themselves as organisations involved in primary health care. Her Honour found that, not only is general practice the fundamental component of primary health care in Australia, but it is obvious that the Divisions of General Practice had sought to align themselves with Commonwealth government policy initiatives about primary health care. Her Honour held that because the Services are part of the provision of primary health care, the actions of the Divisions of General Practice provided good evidence of other organisations involved in the same activity, without improper motive, wishing to use the phrase “primary health care” to describe their activities.

354 Her Honour concluded (at [151]):

The combined effect of the matters set out in s 41(5)(a)(i)-(iii) does not mean that the marks do or will distinguish the applicant’s Services from the same services offered by others. To the contrary, the Services are part of the provision of primary health care in Australia. They are not capable of being separated out from a wider range of activities which the applicant (and others) perform, the applicant through being the operator of medical centres to which it recruits GPs to practice in exchange for a fee

(the fee, I note, being calculated by reference to payments from patients, that is from the provision of the clinical services by the GP). Other persons involved in the provision of primary health care, be they corporate service providers, individual GPs or government funded clinics or public/private partnerships, may well wish to use the phrase “primary health care” in connection with their services of the same nature as the Services. They may well wish to do so because they are in the business of providing primary health care. The fact that Dr Bateman believed when he selected the name “primary health care” in 1994 that the name reflected the nature of the service provided from the medical centre is perhaps the best evidence of the descriptive character of the phrase.

(Emphasis added.)

355 Her Honour concluded that the appellant had not discharged its onus under s 41(5) of the TMA.

Consideration of the s 41(5) TMA ground

356 The question under s 41(5) was whether the trade mark does, or will, distinguish the designated goods or services as being those of the appellant. That question was to be answered not only by reference to the extent to which the trade mark is inherently adapted to distinguish the designated goods or services (s 41(5)(a)(i)), but also the use, or intended use, of the trade mark by the appellant (s 41(5)(a)(ii)) and any other circumstances (s 41(5)(a)(iii)).

357 In *Johnson & Johnson Australia Pty Limited v Sterling Pharmaceuticals Pty Limited* (1991) 30 FCR 326, Lockhart J explained how a descriptive word may acquire distinctiveness through use at 335-336:

If a word is prima facie descriptive the difficulty of establishing that it is distinctive of the plaintiff's goods is considerably increased. Also, if the plaintiff has not used the word simply for the purpose of distinguishing his own goods from those of others but primarily for the purpose of describing the particular kind of article to which he has applied it and only secondarily, if at all, for the purpose of distinguishing his own goods, it will be more difficult for him to establish that it is distinctive of them.

A word may be so totally descriptive of the goods concerned as to be unregistrable, for example, ELECTRICS for electrical apparatus. In less extreme cases the question is one of degree. There must be a sufficient degree of distinctiveness to counterbalance the descriptive character of the word. A word which is prima facie descriptive may become distinctive in connection with particular goods and yet retain its descriptive meaning. But the word must, in order to become distinctive, have a new and secondary meaning different from its primary descriptive one and thus cease to be purely descriptive.

Distinctive means distinctive in the sense that the mark distinguishes the registered proprietor's goods from others of the same type in that market, though it does not mean that the goods must specifically identify the plaintiff as the source of those goods. Often the identity of the supplier will be unknown, but what is important is that a significant number of consumers in the relevant market identify the plaintiff's goods as coming from one trade source.

(Citations omitted.)

358 The primary judge assumed in the appellant’s favour that the trade marks are inherently adapted to distinguish the Services to some limited extent (s 41(5)(a)(i)). Her Honour then considered the use (and intended use) of the trade marks, finding that the marks had not been used by the appellant to distinguish the Services themselves and that the marks did not, in fact, distinguish the Services (s 41(5)(a)(ii)). Her Honour then considered other relevant circumstances, concluding that other organisations might wish without improper motive to use the phrase “primary health care” in connection with their services (s 41(5)(a)(iii)). Her Honour found that when considered in combination, these factors do not, and will not, distinguish the Services as being those of the appellant.

359 The appellant’s submissions focus on the second of these findings, namely that the word mark PRIMARY HEALTH CARE had not been used by the appellant to distinguish the Services. The appellant submits that the primary judge’s finding that the appellant has a reputation amongst the medical profession as an owner and operator of a large corporate chain of medical centres ought to have resulted in a conclusion that the word mark had acquired distinctiveness through use. The appellant argues that her Honour’s finding that the use of the marks did not focus on the Services themselves was irrelevant because provision of the Services is an integral part of the appellant’s business model.

360 The appellant also points to the evidence of a number of GPs to the effect that they understand the appellant to provide administrative and managerial services as part of the operation of the medical centres. For example, Dr Kosterich, who was previously employed by a competitor of the appellant, gave evidence that:

When I say “corporate medicine provider” I mean it runs the centres and that those centres provide doctors with administrative and managerial assistance.

361 The appellant’s point is that Dr Kosterich’s evidence was to the effect that he understands the appellant to both run medical centres and provide the Services to doctors. Dr Kosterich’s evidence, and the evidence of other GPs to that effect can be accepted.

362 The appellant submits that the fact that its business model includes features other than the Services and that it emphasises some of those features does not disentitle it to registration of the trade marks in respect of the Services. The appellant argues that her Honour’s findings that it does not offer health practitioners “in isolation” and that it does not market the Services “per se” and “in and of themselves” were irrelevant. It submits that s 41(5) of the TMA does not require that an applicant prove use in relation to the designated services of themselves and that

it is no less the use of a mark in relation to the designated services that the mark is used in relation to a broader class of services. The appellant submits that her Honour identified no aspect of the statutory language or authority to support her approach.

363 The appellant applied for registration of both the word mark PRIMARY HEALTH CARE and a logo mark. The primary judge found that the appellant had not used the logo mark before the priority date. The appellant has not challenged this aspect of her Honour's findings. Accordingly, the appellant's submissions must be taken to refer only to her Honour's finding that the use of the word mark does not distinguish the Services.

364 The primary judge found that the appellant had used the word mark to identify itself as the source of its business of operating medical centres to health practitioners. It did so by using the word mark in advertisements and brochures used to recruit health practitioners and in correspondence with GPs as part of the recruitment process.

365 Her Honour also found (at J [131]) that the Services are "part and parcel of" and an "essential component" of the appellant's operation of its medical centres. However, her Honour found that the operation of the centres also encompasses, inter alia, the provision of premises from which the health practitioners operate, and plant, equipment, apparatus and instruments, staff and cleaning and maintenance. Her Honour concluded that the Services are only one component of the overall operation of the centres. Her Honour held that the marketing of the centres had not focussed on the Services and that the word mark had not been used by the appellant to distinguish the Services themselves and did not, in fact, distinguish the Services.

366 As the appellant points out, the primary judge did not analyse the statutory language or refer to authority to support the distinction her Honour made between use of the marks to distinguish the appellant's operation of medical centres and use of the trade marks to distinguish the Services themselves. It is necessary to conduct that exercise in order to determine whether the outcome reflects error.

367 Section 41(5)(a)(ii) of the TMA required the Registrar to consider the effect of "the use, or intended use, of the trade mark" in the course of deciding whether "the trade mark does or will distinguish the designated goods or services as being those of the applicant".

368 In *E & J Gallo Winery v Lion Nathan Pty Ltd*, the plurality observed at [41] that the concept of "use" of a trade mark in the TMA must be understood in the context of s 17. That section defines a trade mark as a sign used or intended to be used to "distinguish the goods or services"

of one trader from the goods or services of others. The “use, or intended use” of the trade mark described in s 41(5)(a)(ii) must be use as a trade mark, that is to say, for the purpose of distinguishing the designated goods or services.

369 Section 27(1) of the TMA sets out conditions for the making of an application for registration of a trade mark. Section 27(1)(b) requires an intention to use the trade mark “in relation to the goods and/or services”. Section 20(1) provides that if a trade mark is registered, the registered owner has exclusive rights to use or authorise the use of the trade mark “in relation to the goods and/or services”: see also s 120(1) of the TMA. These provisions suggest that the “use” of a trade mark described in s 41(5)(a)(ii) must be use of a trade mark “in relation to” the goods or services designated in the application.

370 It follows that, for the purposes of s 41(5)(a)(ii) of the TMA, once the appellant’s use of the trade mark was identified, the first question was whether the use, or intended use, of the trade mark was “in relation to” the designated goods or services. If not, then s 41(5)(a)(ii) would not be engaged. The second question was whether the trade mark has been, or will be, used to distinguish the appellant’s designated goods or services from the goods or services of other traders. The third question was as to the extent to which such use does or will distinguish the designated goods or services. The ultimate issue under s 41(5) was whether such use (combined with the mark’s inherent adaptation to distinguish and any other circumstances) does or will distinguish the goods or services.

371 The appellant submits that:

The appellant had used the Mark in relation to the Support Services before the priority date by using it in relation to all the applicant’s services provided as part of operating medical centres. The use of the Mark by the applicant in relation to the operation of the medical centres does achieve the requisite distinctiveness.

(Emphasis added.)

372 This submission confuses the first two questions arising under s 41(5)(a)(ii) of the TMA outlined above. The expression “in relation to” is “of broad import” and “requires no more than a relationship, whether direct or indirect, between two subject matters”: *O’Grady v Northern Queensland Co Ltd* (1990) 92 ALR 213 at 226, 228. In this case, where the primary judge found that the appellant had used the word mark to distinguish its operation of the medical centres, and where an essential component of such operation is the Services, the use of the word mark was “in relation to” the Services. The primary judge can be taken to have assumed that issue in favour of the appellant because her Honour proceeded to consider whether the

appellant's use of the word mark was to distinguish the Services from the services provided by others.

373 As Yates J observed in *Buchanan Turf Supplies Pty Ltd v Registrar of Trade Marks* [2015] FCA 756 at [34], mere evidence of use of a sign does not establish its distinctiveness for trade mark purposes. Whether the appellant used the word mark to distinguish the Services, and the extent to which it achieved distinctiveness, involved an evaluative judgment. The primary judge found that the appellant had used the word mark to distinguish its operation of its medical centres, but had not used the mark to distinguish the Services.

374 The appellant's principal argument, in substance, is that the primary judge's finding that the appellant had not used the word mark to distinguish the Services was illogical or plainly wrong in light of her Honour's finding that the Services are an essential component of the operation of the medical centres. The judgment of the Full Court in *MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236 at 242 provides, by analogy, support for her Honour's reasoning. It was held that where a company conducted a hotel business and, as a relatively small but integral part of that business, provided property management services, the company could not be said to provide a "property management service" such as to infringe a registered trade mark. In this case, her Honour considered that where the appellant had used the word mark to market its business of operating medical centres, and the Services are only a single, although essential, component of that business, the appellant did not use the mark to market the Services themselves.

375 It can be accepted that in some circumstances use of a trade mark to distinguish a broader class of services encompassing the designated services may operate to distinguish the designated services themselves. It may be, for example, that the designated services are so integral to, and such a large part of, the broader class that marketing the broader services also amounts to marketing the designated services themselves. Whether the trade mark use is used to distinguish the designated services, and whether it does distinguish the services, involves matters of fact and degree.

376 The primary judge found that the appellant's use of the word mark to distinguish the operation of the medical centres did not distinguish the Services. Her Honour was influenced by the fact that provision of the Services, while essential to the operation of the medical centres, is only a limited part of their operation. Other essential components include the provision of premises, equipment and staff. The appellant's use of the word mark did not focus on the Services, just

as it did not focus on any of these other individual components. The appellant cannot be said to have used the word mark in its marketing to distinguish the Services any more than it used the word mark to distinguish its provision of premises or equipment. Her Honour concluded that the word mark was used to market and distinguish the operation of the centres as a whole and not any of the individual components. The appellant has not shown that the primary judge's reasoning on this issue is illogical or otherwise wrong.

377 Even if the appellant had been able to demonstrate that the appellant used the word mark to market the Services to health practitioners, it faced another significant obstacle. The primary judge rejected a submission that a substantial number of the members of the medical profession would know of the appellant's business model or the part that the provision of the Services plays within that model. Her Honour found that only a health practitioner who had some particular reason to know of these matters (such as having been recruited by or negotiated with the appellant or having discussed the model with a colleague) would be aware of the business model. In light of that finding, the evidence of Dr Kosterich and other GPs of their understanding that the appellant provides the Services was of limited utility to the appellant. Even if the appellant had been able to show that it used the word mark to market the Services to health practitioners, it did not show that a substantial number of health practitioners were aware of such use in relation to the Services.

378 Further, there is no suggestion that the appellant used the word mark to market the Services to the general public. There was no evidence that, for patients, the word mark distinguishes the appellant's services.

379 There is also the difficulty for the appellant of her Honour's finding, in relation to AGPN's attempt to register a similar trade mark, that there is good evidence that other organisations involved in the provision of primary health care may, without improper motive, wish to use the trade marks to describe their activities.

380 There was no error in the primary judge's conclusion that the appellant failed to discharge its onus of proving that the use or intended use of the word mark, in combination with the inherent adaptation of the word mark to distinguish and any other circumstances, does or will distinguish the Services as being those of the appellant to a significant number of persons concerned with the Services.

381 For these reasons, Ground 8 of the notice of appeal must be rejected.

The appellant's ground of appeal concerning s 41(6) of the TMA

382 The notice of appeal contains the following grounds alleging error in the primary judge's findings concerning s 41(6) of the TMA:

- 9 The primary judge erred in failing to find that because of the extent of the use of the Trade Marks before the Priority Date, the Trade Marks distinguish the Services as being those of the appellant and are registrable under s 41 (6) of the Act (J [153], [160]).

Particulars

The primary judge erred:

- (i) in finding (at J [137], [153]) that the Trade Marks were not used by the appellant to any material extent to distinguish the Services in its marketing to health care professionals for recruitment purposes before the Priority Date;
 - (ii) in finding (at J [160]) that the Trade Marks do not distinguish the appellant's Services from the same services offered by others.
- 10 The primary judge erred in finding (at J [155], [158]) that the phrase "primary health care" has not acquired a secondary meaning in respect of the appellant's activity in providing the Services, and that the only secondary meaning which the phrase has obtained by reason of the appellant is as a corporate entity which recruits GPs and other allied health care professional to the medical centres it operates.

383 The primary judge's conclusions in respect of s 41(5) of the TMA also answered the enquiry under s 41(6). Her Honour was not satisfied that because of the extent to which the appellant had used the marks before the filing date, the marks distinguished the Services as being those of the appellant. That was because the use of the word mark before the filing date related to the operation of the medical centres as a whole, and not to the Services. Further, the logo mark had not been used before the filing date.

384 Her Honour observed (at J [154]) that for a trade mark which is prima facie descriptive to become distinctive, it must acquire a new and secondary meaning different from its primary descriptive meaning. Her Honour found that the phrase "Primary Health Care" has obtained a secondary meaning by reason of the appellant's use, referring to the appellant as a corporate entity which recruits GPs to the medical centres it operates. However, her Honour found that the secondary meaning is not in connection with the Services. Her Honour said that the difficulty comes back to the artificial construct which the appellant had sought to create. In the appellant's business model, the Services are part of and subsidiary to the operation of the medical centres and have no existence other than in that context.

385 Her Honour held (at J [158]) that the appellant failed to prove, as required by s 41(6) of the TMA, that because of the extent of its use of the trade marks before the filing date in respect of the application, the marks distinguish the Services as being those of the appellant. Her Honour held that the marks are not taken to be capable of distinguishing the Services from the Services of other persons, and the application for registration must be refused on that basis.

386 The appellant's grounds in respect of s 41(6) of the TMA are substantially the same as those in respect of s 41(5). The appellant alleges that her Honour erred in distinguishing between use of the word mark to market the appellant's business of provision of medical centres and use to market the Services. As that submission has been rejected in respect of s 41(5) of the TMA, it must also be rejected in respect of s 41(6).

387 Accordingly, Grounds 9 and 10 of the notice of appeal cannot succeed.

The appellant's grounds of appeal concerning s 43 of the TMA

388 The appellant's grounds dealing with the primary judge's findings concerning s 43 of the TMA are as follows:

s.43 Connotation and likelihood of Deception or Confusion

- 11 The primary judge erred in finding (at J [164]) that the phrase "primary health care" has a clear connotation of "first level or first contact health care", and did so as at the Priority Date.
- 12 The primary judge erred in finding (at J [165], [167], [169], [171]-[172], [174], [182], [183], [187]) that there is a real likelihood of deception and confusion arising out of the use of the phrase "primary health care" in connexion with the provision of the Services where the provider, here the appellant, does not also provide clinical care.

Particulars

The primary judge erred:

- (i) in finding (at J [165], [166], [171], [174]) that persons not privy to or "acculturated" to the appellant's business model would be deceived or confused when the Trade Marks were used in the respect of the Services;
 - (ii) in finding (at J [175]) that the number of health care professionals who would not have knowledge of the appellant's business model must be substantial;
 - (iii) in finding (at J [168], [169], [172], [177]), in the absence of any evidence, that members of the public, health care professionals and others involved in the health sector exposed to the Services are likely to be confused.
- 13 The primary judge erred in finding (at J [175], [176]) that the Services are not

sold in a specialised market consisting of persons engaged in a particular trade, and that on that basis, evidence of confusion from health care professionals was not required before drawing the inference of likely confusion.

389 Section 43 of the TMA provides:

Trade mark likely to deceive or cause confusion

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.

390 The primary judge found that there was a relevant connotation, holding (at J [164]):

The phrase “primary health care”, as it appears in the applicant’s marks, has a clear connotation (and did so at the priority date), the connotation being not the applicant as the source of the Services, but first level or first contact health care.

391 Having found that the trade marks carry that connotation, her Honour found that the use of the marks in relation to the Services would be likely to deceive or cause confusion. That risk arose because the marks refer to “primary health care” generally, but the appellant’s particular business model ensures that the appellant is not the provider of, nor responsible for, the clinical care provided by the contracted GPs. The Services provided by the appellant are a component of primary health care, but so too is clinical or medical care. Her Honour considered that no one other than a person familiar with details of the appellant’s business model could avoid confusion about the nature of the services the appellant in fact provides and the responsibility for clinical care provided from the appellant’s medical centres.

392 Her Honour held (at J [172]) that the persons who had not become acculturated to the appellant’s business model and would be confused include the bulk of medical professionals in Australia, (given that no more than 5% of GPs and a far smaller percentage of allied health professionals in Australia practice at one of the appellant’s medical centres), members of the public and people in the public health sector.

393 As may be seen from Ground 11 of the notice of appeal, the appellant’s principal submission is that the primary judge erred in finding that the trade marks carry a connotation of “first level/first contact health care”. The appellant submits that what her Honour identified as a connotation is in fact, on her Honour’s earlier reasoning, the denotation of the phrase “primary health care”. The argument continues that, as no relevant connotation had been identified, s 43 of the TMA has no application.

394 The application of s 43 of the TMA requires identification of “some connotation that the trade mark or a sign contained in the trade mark has”. There is a distinction between a denotation and a connotation. The *Oxford English Dictionary* defines “denotation” as the “meaning or signification of a term”, while the *Macquarie Dictionary* defines that term, relevantly, as “the meaning of a term when it identifies something by naming it (distinguished from *connotation*)”. The *Oxford English Dictionary* defines “connotation” as, relevantly, “[t]hat which is implied in a word in addition to its essential or primary meaning”, while the *Macquarie Dictionary* defines that term as “secondary implied or associated meanings (distinguished from *denotation*)”. To identify the connotation of a word, it is usually necessary to begin by identifying its denotation, or in other words, its essential or primary meaning. An exception is that a made-up word may have no primary meaning, but still have a connotation.

395 In this case, the primary judge found (at J [164]) that the trade mark PRIMARY HEALTH CARE has a relevant connotation, namely “first level or first contact health care”. However, her Honour’s identification of the trade mark’s denotation is unclear. Her Honour described the connotation as being “not the applicant as the source of the Services, but first level or first contact health care.” In that passage, her Honour seems to have decided that the denotation (essential or primary meaning) of PRIMARY HEALTH CARE is “the applicant as the source of the Services” and the connotation (implied or secondary meaning) is “first level or first contact health care”.

396 Where s 43 of the TMA refers to a “connotation”, it refers to an implied or secondary meaning that is *inherent* in the trade mark. There is ample authority for that proposition. In *TGI Friday’s Australia Pty Ltd v TGI Friday’s Inc* (2000) 100 FCR 358, the Full Court said at [43]:

The case on deception and confusion sought to be made by Big Country and Friday’s Australia in the present proceedings...does not depend upon some connotation in the registered mark, but upon its similarity to a name used by Big Country and others. So the alleged deception or confusion is not for a reason covered by s 43.

397 In *McCorquodale v Masterson* (2004) 63 IPR 582, where the trade mark included the words “Diana’s Legacy in Roses”, together with pictures of roses, Kenny J held that the mark carried a connotation of the late Princess Diana. Her Honour observed at [26]:

In order for s 43 to apply, the court must be satisfied that there is a reasonable likelihood of deception or confusion arising because of the connotation within the mark, having regard to the nature of the goods or services to which it is to apply and other relevant considerations.

398 In *Pfizer Products Inc v Karam* (2006) 219 FCR 585, the issue was whether HERBAGRA carried a connotation of a sponsorship or association with VIAGRA. Justice Gyles held that it did not. His Honour noted at [52] that the explanatory memorandum for the Bill introducing s 43 to the TMA stated:

That an application for registration must be rejected if the trade mark ... because of some signification inherent to it, would be likely to deceive or cause confusion regarding a characteristic of the goods or services.

His Honour continued:

[53] “Connotation” is a secondary meaning implied by the mark. The likelihood of deception or confusion must flow from the secondary meaning inherent in the mark itself. It is apparent that the underlying purpose of s 43 is a similar purpose to that lying behind ss 52, 53 and 55 of the *Trade Practices Act 1974* (Cth). It is to prevent the public being deceived or confused as to the nature of the goods offered by reason of a secondary meaning connoted by the mark in question, rather than, for example, deception by reason of similarity with other marks.

...

[55] In my opinion, there is no relevant secondary meaning connoted by the mark HERBAGRA. An implication of sponsorship or association might qualify as such a secondary meaning or connotation, but I am not persuaded that the mark itself has that secondary meaning here.

See also *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 388-389, *Winton Shire Council v Lomas* (2002) 119 FCR 416 at 421.

399 Section 43 of the TMA applies to a connotation inherent in a trade mark. It is necessary to identify “some connotation that the trade mark or a sign contained in the trade mark has”. Registration must be rejected if, because of that connotation, “the use of the trade mark in relation to the relevant goods or services would be likely to deceive or cause confusion”. It is only after the connotation is identified, that the use of the trade mark falls to be considered. The use of the trade mark is not relevant to the identification of any connotation. There is a parallel with s 41(3) of the TMA where the inherent adaptability of the trade mark to distinguish could not be determined by reference to the use of the trade mark: see *Burger King Corporation v Registrar of Trade Marks* at 424.

400 As has been mentioned, in *E & J Gallo Winery v Lion Nathan Pty Ltd*, the plurality observed at [41] that the concept of “use” of a trade mark in the TMA must be understood in the context of the definition of “trade mark” in s 17. The “use of the trade mark” that s 43 of the TMA refers to is use to distinguish the goods or services as those of the applicant for registration.

401 Just as a connotation, or secondary meaning, of a trade mark must be found within the mark itself, so too must its denotation, or primary meaning, for the purposes of s 43 of the TMA. Further, just as use of the trade mark cannot be considered in identifying a connotation, use of the mark cannot be considered in identifying its denotation. It would be inconsistent and incongruous to construe s 43 otherwise.

402 The difficulty with her Honour's identification of the denotation of PRIMARY HEALTH CARE as "the applicant as the source of the Services" is that it relies upon the use of the trade mark, not merely its inherent meaning. The trade mark can be regarded as having the inherent denotation of "first level or first contact health care". However, there is no inherent meaning of the phrase which identifies the appellant as the source of the services. The connection between the appellant and the Services can only emerge from the appellant's use of the trade mark to distinguish its Services from services provided by others or, in other words, to identify itself as the source of the Services. If the trade mark means "the appellant as the source of the Services", that meaning can only come from the appellant's reputation as that source. However, the appellant's reputation is not a matter that can be considered in identifying the denotation. It was an error for the primary judge to identify the denotation, or primary meaning, of the trade mark as "the applicant as the source of the Services".

403 This conclusion does not suggest that a trade mark can be registered where the mark's denotation would make its use deceptive. Section 42(b) of the TMA, taken with s 18 of the ACL and equivalent State legislation, requires that registration of a trade mark must be refused where the use of a trade mark is misleading or deceptive, or likely to mislead or deceive. That provision allows for use of the trade mark, even in the absence of any relevant connotation, to be taken into account. Where s 43 applies, the test is a less exacting one than under s 42(b), as "confusion" is enough to require refusal of registration. The two provisions have different, but overlapping, fields of operation.

404 Her Honour found (at J [113]) that the ordinary signification of PRIMARY HEALTH CARE for the purposes of s 41(3) of the Act was "first level/first contact health care" That was a meaning inherent in the trade mark. That was the relevant denotation for the purposes of s 43. Her Honour should have started with that denotation and then determined whether there was a relevant secondary, implied meaning. What her Honour found to be the connotation of the phrase was in fact its denotation. That was an error.

405 Ground 11 should succeed. In view of this conclusion, it is unnecessary to consider Grounds
12 and 13.

406 The error makes no difference to the outcome of the appeal as her Honour correctly refused
registration of the trade marks under s 41 of the TMA. In addition, as will be seen, her Honour's
conclusion that registration should be refused under s 42 (b) as the use of the trade marks would
misleading or deceptive, or likely to mislead or deceive, should be upheld.

The appellant's grounds of appeal concerning s 42 of the TMA

407 The notice of appeal contains one ground challenging the primary judge's findings concerning
s 42 of the TMA:

s.42 Contrary to Law

14 The primary judge erred in finding (at J [190]) that use of the phrase "primary
health care" as a trade mark in respect of the Services would be contrary to s
18 of the *Australian Consumer Law*, and was so as at the Priority Date.

408 Section 42 of the TMA provides:

Trade mark scandalous or its use contrary to law

An application for the registration of a trade mark must be rejected if:

...

(b) its use would be contrary to law.

409 Section 18 of the ACL prohibits a corporation from engaging in conduct in trade or commerce
that is misleading or deceptive or likely to mislead or deceive. Her Honour held, relying upon
findings made earlier concerning s 43 of the TMA, that use of the trade marks in respect of the
Services would contravene that provision.

410 The primary judge correctly identified (at J [189]) that the question of whether the use of the
trade marks would be contrary to law was to be considered at the priority date. Section 18 of
the ACL was not in force at the priority date, 6 October 2009. Accordingly, as the appellant
points out, her Honour ought to have instead considered the ground of objection under s 42(b)
of the TMA by reference to s 52 of the *Trade Practices Act 1974 (Cth)* (**the TPA**). This was a
slip by the primary judge, but it was not one that was material given that s 18 of the ACL
replaced s 52 of the TPA and the provisions are in identical terms.

411 Section 42(b) of the TMA requires that the use of a trade mark "would be" contrary to law. It
is not enough for a party opposing registration to show that s 18 of the ACL or s 52 of the TPA

might be contravened. The opponent must prove, on the balance of probabilities, that the provision *would* be contravened by use of the trade mark.

412 The principles concerning contravention of s 18 of the ACL and s 52 of the TPA are well known and include the following.

413 The question of whether conduct is misleading or deceptive or likely to mislead or deceive must be considered by reference to the class of consumers likely to be affected by the conduct: *Parkdale Custom Built Furniture Proprietary Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 199, 209.

414 No conduct can mislead or deceive unless the person to whom the representation is made labours under some erroneous assumption: *Taco Company of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 at 200. It must be determined what misconceptions or deceptions alleged to arise are properly to be attributed to ordinary and reasonable members of the classes of prospective consumers: *Campomar Sociedad, Limitada v Nike International Limited* (2000) 202 CLR 45 at [105].

415 The question is whether a not insignificant number of reasonable persons within the class are likely to be misled or deceived by the conduct, whether in fact or by inference: *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* (2008) 171 FCR 579 at [46], [66]; *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302 at 380-381; *Bodum v DKSH Australia Pty Ltd* (2011) 280 ALR 639 at [205].

416 Conduct is misleading or deceptive or likely to mislead or deceive if it has a tendency to lead into error: there must be a sufficient causal link between the conduct and error on the part of the person exposed to the conduct: *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640 at [39].

417 The question of what is the natural and ordinary meaning conveyed by a publication or conduct is to be ascertained by the Court applying an objective test of what ordinary or reasonable consumers in the relevant class would understand as the meaning: *Bodum* at [203]; *Parkdale v Puxu* at 199, 204-5.

418 The representations relied on by the opponent for the purposes of s 42(b) of the TMA must be representations that will be made by the appellant by using the trade marks *as trade marks*, that is to distinguish the appellant's goods or services from those provided by another trader.

419 The question for the primary judge was whether, by the appellant's use of the trade marks as trade marks, a not insignificant number of ordinary persons in the relevant class were likely to be misled or deceived.

420 Her Honour identified the relevant class as consisting of health practitioners, people working in the public health sector and the general public, as patients. The appellant submits that the only members of the class who should have been considered are health professionals, relying on *Campomar Sociedad, Limitada v Nike International Limited* at [102] where it was said that it is necessary to assess the reactions of ordinary or reasonable members of the "class of prospective purchasers". However, that statement was made in the context of the case, which involved mass marketing of retail products. There are other authorities which refer, not to purchasers, but consumers. For example, in *Parkdale v Puxu* it was held at 199 that "consideration must be given to the class of consumers likely affected by the conduct". In *Concrete Construction (NSW) v Nelson* (1990) 169 CLR 594 it was held that at 604:

What the section is concerned with is the conduct of a corporation towards persons, be they consumers or not, with whom it (or those whose interests it represents or is seeking to promote) has or may have dealings.

421 Her Honour found that use of the trade marks in respect of the Services would represent that:

- (1) the appellant provides primary health services; and
- (2) the appellant is responsible for the health and medical services provided by the practitioners within the appellant's medical centres.

422 Her Honour found that these representations were misrepresentations.

423 The appellant submits that the first of the representations is inconsistent with her Honour's earlier finding for the purposes of s 41(3) of the TMA that "primary health care" signifies "first level/first contact health care". The appellant submits that the same words cannot convey a different and more specific representation that the appellant "provides" first level/first contact health care. However, the enquiry under s 41(3) depends upon the *inherent* signification of the trade marks, and excludes *use* of the trade mark. The enquiry in respect of s 42(b) is based upon *use* of a trade mark and, in addition, when considered in the context of s 18 of the ACL or s 52 of the TPA, its inherent signification. In light of that distinction, there was no inconsistency in her Honour's finding that the appellant's use of the marks as trade marks would represent that the appellant provides primary health care.

424 The primary judge had earlier decided (at J [122]) that the appellant “is in the business of providing primary health care”. The appellant submits that her Honour could not then logically find the representation that the appellant provides primary health care to be false. It is the case that if the first representation is construed literally, then, according to her Honour’s earlier findings, the first representation must be true. However, her Honour expressly relied on the findings she had made earlier, including those concerning s 43 of the TMA, and the description of the first representation must be understood in the context of those findings. Her Honour had found that use of the trade marks in respect of the Services would deceive or confuse people unfamiliar with the appellant’s business model into thinking that the appellant provides clinical or medical care when the appellant does not provide such care. The first representation found by her Honour must be understood as being that the use of the trade marks in respect of the Services would represent that the appellant provides all aspects of primary health services, including clinical care. When the representation is construed in that way, the representation is misleading or deceptive, or likely to mislead or deceive, since the appellant does not provide clinical care.

425 The appellant submits that it is unclear what the primary judge meant by use of the word “responsible” in the second representation. The appellant submits that it could mean legal responsibility, professional responsibility or responsibility for the cost of the services provided at the medical centres. The appellant submits that it is not apparent why a member of the target audience would make any assumption about who is responsible for such services. The appellant also argues that there was no analysis by her Honour as to whether any “responsibility” rests with the appellant alone or with the health practitioners or both, so there was no basis for concluding that the representation was false.

426 The primary judge found that second representation arising from the use of the trade marks is that the appellant is responsible for the health and medical services provided by the practitioners within the appellant’s medical centres. That begs the question of what was meant by “responsible for”. Early in the reasons, her Honour found (at J [27]) that, “The only thing the applicant does not do and is not responsible for is the provision of the clinical care which the contracting GPs provide to patients who attend the centre”. Her Honour seems to distinguish there between “responsible for” and “provide”. Once that distinction is made, it is unclear whether the “responsibility” is legal responsibility or some other type of responsibility. There is force in the appellant’s submission that there is a lack of clarity or ambiguity in the formulation of the second representation. That lack of clarity means that it could not be decided

whether the representation was true or false. It should have resulted in a finding that the respondent had not proved that the second representation was misleading or deceptive.

427 The appellant argues that the primary judge's conclusion that use of the trade marks would contravene s 18 of the ACL relied on the findings made pursuant to s 43 of the TMA and those findings were only that use of the mark would cause "confusion". The appellant submits that her Honour did not separately consider, or find, that the use of the trade marks would amount to misleading or deceptive conduct, rather than mere confusion.

428 In *REA Group Ltd v Real Estate I Ltd* (2013) 217 FCR 327, Bromberg J succinctly summarised the authorities dealing with this issue at [79]:

Conduct which causes confusion or wonderment will not necessarily be misleading or deceptive. If the conduct of a corporation gives rise to confusion and uncertainty in the minds of the public about whether two products or services might have come from the same source, the corporation does not necessarily contravene s 52. However, if the conduct of a corporation causes more than mere confusion and causes consumers to actually conclude that two products do come from the same source, such conduct is likely to be misleading and deceptive. The representee must be led into error and labour under an erroneous assumption.

(Citations omitted.)

429 It is true that establishing confusion may not be enough to prove a contravention of s 18 of the ACL. However, her Honour's findings concerning s 43 of the TMA went beyond merely finding that the use of the trade marks would cause confusion. For example, her Honour found (at J [171]) that "use of the mark in connection with the Services is likely to *deceive* and cause confusion" and that (at J [172]) persons "would be likely to be *mised* and confused by their use in respect of the Services"(emphasis added). Her Honour did find that the use of the trade marks would amount to conduct that was misleading or deceptive, or likely to mislead or deceive, as well as causing confusion. Her Honour did not make the error alleged by the appellant.

430 The appellant submits that the evidence that the appellant had used the word mark widely and continuously for 15 years without complaint ought to have resulted in a finding that its use was not misleading or deceptive. However, evidence that consumers have been misled is not essential. In *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Ltd* (2014) 317 ALR 73, Allsop CJ said at [45]:

Evidence that someone was actually misled or deceived may be given weight. The presence or absence of such evidence is relevant to an evaluation of all the circumstances relating to the impugned conduct. Where the conduct and

representations are to the public generally and concern a body of simple direct advertising, the absence of individuals saying they were misled may not be of great significance...The objective assessment of advertising using ordinary English words in an attempt to persuade can be undertaken without the lengthening of a trial by the bringing of witnesses of indeterminate numbers. Language, especially advertising, seeking to raise intuitive senses and associations, can have its ambiguities and subtleties. The task of evaluating the objective character and meaning of the language in the minds of reasonable members of the public is not necessarily one that will be assisted in any cost-effective manner by calling members of the public. The question is one for the court.

(Citations omitted.)

431 The issue for the primary judge was whether use of the trade marks in relation to the Services was misleading or deceptive or likely to mislead or deceive. The question of whether anyone was in fact misled, while relevant, was not decisive.

432 The appellant argues that her Honour took a shortcut to the determination of the ground under s 42(b) of the TMA, failing to direct attention to the principles identified in the relevant authorities and failing to provide adequate reasons. Her Honour's consideration of s 42(b) was succinct, but the analysis relied heavily on the detailed findings already made in respect of other issues in the case, particularly s 43. Her Honour had also referred to a recent case, *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2015] FCA 554, which set out many of the principles concerning s 52 of the TPA described above. It cannot be said that her Honour was unaware of the principles. Nor do the appellant's generalised criticisms assist to reveal any misunderstanding of the principles in her Honour's analysis, at least in respect of the first representation.

433 The appellant's contention that the second representation found by her Honour to be made by the use of the trade marks should not have been found to be misleading or deceptive should be accepted.

434 However, the appellant's submissions concerning the first representation should be rejected. It follows that her Honour was correct in deciding that the ground of objection under s 42(b) of the TMA was made out.

SUMMARY

435 The primary judge held that the respondents had established the grounds for rejection of registration of the trade marks under each of ss 41, 42 and 43 of the TMA.

436 In the appeal, the appellant has demonstrated error in her Honour's finding that, for s 42(b) of the TMA, use of the trade marks would misrepresent that the appellant is responsible for the

medical services provided by health practitioners within the appellant's medical centres. However, no error has been demonstrated in her Honour's further finding that use of the services would misrepresent that the appellant provides clinical care to patients, and so would contravene s 18 of the ACL (and s 52 of the TPA). Therefore, the error is not material as it does not ultimately affect her Honour's conclusion that the ground under s 42(b) was established.

437 The appellant has also demonstrated error in her Honour's finding that the respondents had established the ground under s 43 of the TMA. However, the appellant has failed to establish any material error in her Honour's conclusion that registration of the trade marks must be refused under ss 41 and 42. Therefore, the error in respect of s 43 cannot affect the outcome of the appeal.

438 The appeal should be dismissed. The appellant should pay the respondents' costs of the application for leave to appeal and the appeal.