

TRADE MARKS ACT 1995

REASONS FOR DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Opposition by Nalsani S.A. to registration of trade mark no. 1378499 –
TOTO – in the name of Toto Corporation

Background

1. Toto Corporation ('the applicant') seeks registration under the *Trade Marks Act 1995* ('the Act') of the trade mark hereunder:

Trade Mark: **TOTO**
(‘the Trade Mark’)

Trade Mark No: 1378499

Filing Date: 5 August 2010

Priority Date: 23 February 2010

Goods: **Class 25**
Clothing, footwear, headgear

2. During examination the provisions of paragraph 44(3)(b) were applied and the Trade Mark was accepted for possible registration. Nalsani S.A. ('the opponent') opposed registration as allowed by s 52 of the Act.
3. The declarations forming the parties' evidence are as follows:

	Declarant	Position	Date	Exhibits
Evidence in support	Rhiannan Patricia Solomon	Opponent's legal representative	04.06.2012	1 & 2
Evidence in answer	Wayne Covell	Applicant's legal representative	24.04.2014	WC-1 to 3

5. The parties were given an opportunity to request a hearing or to file written submissions. Both filed submissions.

6. I am a delegate of the Registrar of Trade Marks and I am to decide the opposition as required by s 55. I must decide whether to refuse to register the Trade Mark, or to register the Trade Mark (with or without conditions or limitations) in respect of the goods specified in the application, having regard to the extent (if any) to which any ground on which the application is opposed has been established.

Relevant date & onus

7. The rights of the parties are to be determined as at the date of application¹ which is generally, but not always, the filing date.² The opponent bears the onus of establishing a ground of opposition.³ The standard of proof is the balance of probabilities.⁴

Evidence

8. The Solomon declaration brings into evidence the records held by IP Australia for trade mark registrations 617730 and 1207302.
9. According to the Covell declaration, the applicant is the legal entity associated with the American rock band known as TOTO. The information in the declaration goes to the international reputation of TOTO and to the sale of TOTO branded clothing.

Grounds of opposition

10. The opponent initially nominated the grounds of opposition pursuant to ss 39, 41, 42, 43, 44, 58, 59, 60, 62 and 62A of the Act but it only presses the s 44 ground in its submissions. For completeness I find that it has abandoned the remaining grounds.

Decision

11. Having considered both parties' evidence and submissions I find that the opponent has not established the s 44 ground. Here follow the reasons for that finding.

¹ *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592.

² See sections 6, 12 and 72 of the Act.

³ *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9 at [32].

⁴ *Pfizer Products Inc v Karam* (2006) 70 IPR 599 per Gyles J at [6] to [26]. See also *Chocolaterie Guylian N.V. v Registrar of Trade Marks* (2009) 82 IPR 13 per Sundberg J at [22] to [27] and *Fry Consulting Pty Ltd v Sports Warehouse Inc (No 2)* (2012) 94 IPR 551 per Dodds-Streton J at [13].

Section 44 ground – trade mark identical with or deceptively similar to trade mark of earlier application or registration

12. Section 44 relevantly provides:

- (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of goods (*applicant's goods*) must be rejected if:
- (a) the applicant's trade mark is substantially identical with, or deceptively similar to:
 - (i) a trade mark registered by another person in respect of similar goods or closely related services; or
 - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
 - (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

13. In order to establish its s 44 ground the opponent needs to show that there is an earlier trade mark application or trade mark registration in the name of a person other than the applicant for similar goods or closely related services, where the earlier trade mark is substantially identical with, or deceptively similar to the Trade Mark.

14. The opponent is relying on the following earlier trade mark registrations to establish this ground:

Regn no.	Trade Mark	Goods and Services	Priority date
617730		Class 25 All goods in class 25; clothing, footwear, headgear, including hats	06/12/1993
1207302		Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices; not including products for sports practice Class 14 Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments, except	30/10/2007

		<p>watches and clocks for sport practice</p> <p>Class 18 Leather and imitations of leather, products of these materials not included in other classes; animal skins; trunks and suitcases, and other articles of luggage; umbrella, parasols and canes; whips; handbags, and bags in this class; backpacks, but excluding backpacks designed for the practice of sports</p> <p>Class 35 Management of business, advertising, retailing of goods (by any means) and retailing services, but not including advertising, manufacturing and selling of beachwear, sportswear (i.e. clothing items and accessories, including eyewear and backpacks, designed for the practice of sports), footwear for practice of sports and sporting goods</p> <p>Endorsements: The applicant has advised that a translation of the Japanese word TOTTO appearing in the trade mark is BIRDIE or CHICK.*</p>	
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15. I note that during examination of the present application the examiner raised registration 617730 as a ground for rejection pursuant to s44. However the owner of that registration, which is not the opponent, provided a letter of consent to registration of the Trade Mark, which was sufficient to satisfy the examiner that the provisions of paragraph 44(3)(b) could be applied. The application was accepted on that basis.

16. Section 44(3) relevantly provides:

(3) If the Registrar in either case is satisfied:

(a) that there has been honest concurrent use of the 2 trade marks; or

(b) that, because of other circumstances, it is proper to do so;

the Registrar may accept the application for the registration of the applicant's trade mark subject to any conditions or limitations that the Registrar thinks fit to impose. If the applicant's trade mark has been used only in a particular area, the limitations may include that the use of the trade mark is to be restricted to that particular area.

A letter of consent from the owner of the conflicting trade mark is *prima facie* sufficient basis to exercise the Registrar's discretion and apply paragraph 44(3)(b).

The letter was made available to the opponent for comment and it has not made any

submissions to the contrary. Accordingly I find that registration 617730 does not found the opponent's s44 ground of opposition.

17. Registration 1207302 is owned by the opponent. I will first consider whether the applicant's goods are similar to the goods of registration 1207302 ('the cited goods') or closely related to its services ('the cited services').
18. Similar goods are defined in s 14(1) of the Act as goods which are the same as the other goods, or are of the same description as that of the other goods. The opponent submits:

In determining whether two sets of goods are 'of the same description', one must have regard to the respective nature, use and trade channels of the goods in question (see *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592, *Jellinek's Application* (1946) 63 RPC 59 (Ch)).

The authorities agree that no single factor is conclusive, nor do all factors need to be established in order to establish that goods 'are of the same description'.

It continues:

[T]rade mark no. 1207302 ... covers a range of fashion accessories in classes 14 and 18, including jewellery, watches, bags, handbags and luggage. Such goods are often manufactured by the same traders who manufacture apparel, and are also provided in close proximity through the same trade channels.

It is also common for clothing and accessories (such as handbags and watches), to be worn together and coordinated. As such, they are very much perceived by many consumers to be similar and complimentary goods.

As such, we submit that these goods are 'of the same description' as the clothing, footwear and headgear covered by the Opposed Mark.

19. However in *Mossimo Inc v Bossini Pty Ltd* the Registrar's delegate observed:

Turning to the three criteria: the nature of the goods in question, their uses and the trade outlets, I think it is obvious without further elaboration that the characteristics and uses of the opponent's [clothing] are radically different from those of the applicant. The applicant's goods are, essentially, leather and imitations of leather, umbrellas, bags, wallets and travelling goods. The respective goods of the applicant and the opponent are not normally made available for purchase in the same shops. In large

department stores, where the potential customers might reasonably expect to find the goods, each set of those goods is offered for sale in specially allocated sections, and are displayed in separate areas in large supermarket type stores.⁵

20. Similarly, in *Mondi Textil GmbH v Pam Corporation* the delegate held that:

[F]or all that some companies, like Mondri, manufacture both clothing and handbags and other fashion accessories, it cannot be said that this is usually the case. ... Further, although it can be said that women's clothing and handbags and purses are sometimes sold from the same outlet, they are not only sold in this way. The purpose and nature of the goods must also be considered. In this regard, it is clear that clothing and the goods covered by class 18 are neither made from the same materials, nor used for the same purpose. Shoes and handbags ... may be made from the same materials, but are still far from being used for the same purpose.⁶

21. For the same reasons as the delegates in those matters, I find that the applicant's goods are not similar to the cited goods.⁷

22. There is no definition in the Act for 'closely related services'. The matter has been given judicial consideration and, as the opponent has pointed out, the courts have held that services which provide for the installation, operation, maintenance or repair of particular goods are likely to be regarded as closely related to the goods themselves.⁸

The opponent submits that:

It is clear that the retailing of particular goods as a service, and those particular goods per se, will in many instances constitute closely related goods and services. One of the reasons for this proposition is that that it is common for retailers of particular goods to sell their own branded goods through their own retail outlets. For instance, it is common to buy Canterbury branded sports gear in a Canterbury retail outlet. Similarly, though at a different end of the same market, it is common to buy Hugo Boss branded suits at a Hugo Boss store, and Armani clothing at an Armani store.

⁵ (1999) 48 IPR 116, 121

⁶ [2000] ATMO 56

⁷ See also *South Cone Inc v Casio Keisanki Kabushiki Kaisha* (2001) 54 IPR 81 where the delegate held that electronic watches are not similar goods to clothing and footwear.

⁸ *Caterpillar Loader Hire (Holdings) v Caterpillar Tractor Co* (1983) 48 ALR 511 1 IPR 265; *Registrar of Trade Marks v Woolworths Ltd* (1999) 45 IPR 411

and it cites decisions by the Registrar's delegates where clothing has been held to be closely related to the retailing of clothing.⁹

23. I agree with the opponent that the applicant's goods are closely related to some of the cited services, namely *retailing of clothing*. I therefore need to decide whether the Trade Mark is, as the opponent submits, deceptively similar to the trade mark of registration 1207302 ('the cited trade mark').

24. Section 10 of the Act defines a 'deceptively similar' trade mark as follows:

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

25. According to *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd*¹⁰ when deciding whether use of a trade mark is likely to deceive or confuse an attempt should be made to estimate the impressions consumers are likely to form of it and of the other trade mark. The question to be answered is whether there is, at the very least, a real tangible danger of a number of persons being caused to wonder if the goods on which the trade marks are used, or might in principle be used in future, come from the same trade source.¹¹

26. The opponent notes that the Trade Mark consists solely of the word TOTO and the cited trade mark consists of the word TOTTO and a device. It submits that:

The words TOTO and TOTTO are very similar. They differ only by one letter, which is a repeat of a previous letter, and which appears towards the end of the trade mark. Both trade marks share the same prefix, namely TOT-, and same suffix, namely: -TO.

27. It refers to the decisions by the Registrar's delegates in *Roger Maier v Asos Plc*¹², where the trade marks ASSOS and ASOS were found to be deceptively similar, and in *Rado Uhren AG (Rado Watch Co. Ltd) (Montres Rado SA) v Aleksandr Vladimirovich Suvorin*¹³, where the same finding was made with the trade marks MIDO and MADO.

⁹ *Richard James Pty Ltd v Grant Olver Investments Pty Ltd* [2005] ATMO 18; *Qantas Airways Limited v Luke Edwards* [2014] ATMO 40; *Roger Maier v Asos Plc* [2014] ATMO 7

¹⁰ (1937) 58 CLR 641.

¹¹ *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592.

¹² [2014] ATMO 7

¹³ [2010] ATMO 118

In its view the visual differences between the cited trade mark and the Trade Mark in the present matter are ‘not so significant so as to alleviate the significant potential for confusion, particularly when a consumer is relying on imperfect recollection, and who is recalling primarily the word elements of the respective trade marks.’

28. I do not agree. The opponent has pointed out what it considers to be the similarities between the plain words TOTO and TOTTO but it has not taken into account the way in which TOTTO is represented in the cited trade mark. I consider the manner of its depiction draws attention to the difference between the two words, namely the presence of the double letter ‘T’. This difference is further emphasised by the use of the double letter ‘T’ to form the bodies of the disc-head figures immediately above the word TOTTO.
29. Furthermore, the legal authorities emphasise the need in any consideration of deceptive similarity to compare the impressions likely to be formed of the trade marks as wholes.¹⁴ I find that the visual impressions created by the cited trade mark and the Trade Mark are so different that there is no real tangible danger of deception or confusion.
30. Also to be considered is the likelihood of confusion arising from verbal use of the trade marks. The opponent submits that:

While a different pronunciation of the two words is possible, it is by no means assured. Many consumers (particularly those relying on an imperfect recollection), may pronounce the trade mark in the same way (given the tendency of consumers to slur the termination of words). There is no requirement under the relevant authorities that all potential consumers, or even a majority, have cause to wonder. It is enough if a significant number of consumers may potentially confuse the two trade marks.

31. This submission is presumably based on the word TOTTO being the essential feature of the cited trade mark.¹⁵ I note the observation of Greenwood J in *NV Sumatra Tobacco Trading Company v British American Tobacco Services Ltd* that:

¹⁴ *Clark v Sharp* [1898] 15 RPC 141 at 146; *Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* (2010) 89 IPR 457, 477 [100]

¹⁵ See *Crazy Ron's Communications Pty Limited v Mobileworld Communications Pty Limited* (2004) 61 IPR 212, 234 [102]

The question of imperfect recollection therefore is likely to be informed by, in part at least, the extent to which phonetic similarities arise and **whether some part of the registered trade mark reflects an essential feature adopted by the applicant for the new mark.** Two things inform imperfect recollection in transactions in which goods are bought and sold in oral transactions apart from broader contextual considerations. First, the degree of phonetic similarity is important. For example, in *Berlei*, the phonetic similarity was very significant as the phonetic pronunciation of the two marks exhibited the sounds Burley and Barley and in *Rysta Ltd's Application*, the similarity was between Rysta and Aristocrat, with Viscount Maugham accepting Luxmoore LJ's view of a tendency in speech to slur a word beginning with "a" resulting in a phonetic similarity of Rysta and Ristoc. **Secondly, a part of the registered trade mark may be shown to be such an essential feature that it dominates the immediacy of recollection and may give rise to confusion.**¹⁶

[emphasis added]

32. In the present matter I do not consider that the word TOTTO is likely to 'dominate the immediacy of recollection' of the cited trade mark. In my estimation, the disc-head device is equally prominent and I consider that when referring to the cited trade mark verbally, consumers will make some attempt to describe it.¹⁷ Accordingly, I find that in verbal use, also, the cited trade mark and the Trade Mark are not deceptively similar.
33. The opponent has failed to establish the s 44 ground.

Costs

34. Both parties seek their costs. The general rule is that costs follow the event. The opponent has not succeeded in having registration refused and is therefore the unsuccessful party. I award costs against it.



Deirdre O'Brien
Delegate of the Registrar of Trade Marks
16 June 2015

¹⁶ (2011) 283 ALR 743; [2011] FCA 1051 [58]

¹⁷ *Crazy Ron's Communications Pty Limited v Mobileworld Communications Pty Limited* (2004) 61 IPR 212, 234 [98]