

## “MARK OF CAIN – DISTINCTIVENESS IN THE TRADE MARKS ACT”

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*8 “Now Cain said to his brother Abel, "Let's go out to the field." And while they were in the field, Cain attacked his brother Abel and killed him.*

*9 Then the Lord said to Cain, "Where is your brother Abel?" "I don't know," he replied. "Am I my brother's keeper?"*

*10 The Lord said, "What have you done? Listen! Your brother's blood cries out to me from the ground.*

*11 Now you are under a curse and driven from the ground, which opened its mouth to receive your brother's blood from your hand.*

*12 When you work the ground, it will no longer yield its crops for you. You will be a restless wanderer on the earth."*

*13 Cain said to the Lord, "My punishment is more than I can bear.*

*14 Today you are driving me from the land, and I will be hidden from your presence; I will be a restless wanderer on the earth, and whoever finds me will kill me."*

*15 But the Lord said to him, "Not so; if anyone kills Cain, he will suffer vengeance seven times over." Then the Lord put a mark on Cain so that no one who found him would kill him."*

The key concept of distinctiveness flows throughout the Trade Marks Act 1995.

First, distinctiveness is a condition of registration

An application must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services from the goods and services of other persons.<sup>2</sup>

Second, a lack of distinctiveness may be used to oppose registration of the mark on the same grounds that the application may be rejected.<sup>3</sup> If a person opposes registration, the applicant has to establish distinctiveness.

Third, a lack of distinctiveness may be used to rectify the register and cancel a mark. This is either because

- it is a ground on which registration could have been opposed;<sup>4</sup> or
- the application is made 10 years after the filing date and the mark was only registered on the basis it was partly inherently adapted to distinguish and partly through intended use, and over the 10 year period it was not sufficiently used to in fact distinguish<sup>5</sup>

Fourth, the concept of distinctiveness is key to determining whether there has been infringement. This is because a person infringes a trade mark if the person uses a sign

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<sup>2</sup> section 41(2)

<sup>3</sup> section 57

<sup>4</sup> section 88(2)(a)

<sup>5</sup> section 88(2)(d)

that is substantially identical or deceptively similar to the registered mark “as a trade mark”<sup>6</sup>

What is “use as a trade mark?”

In *Top Heavy v Killin*,<sup>7</sup> Lehane J referred to the definition of trade mark in section 17 that a trade mark is a sign used to distinguish goods or services. He said the question whether a sign was used as a trade mark is whether it indicates the trade origin or “in statutory language” whether the sign is used to distinguish one person’s goods and services from the goods or services of others.<sup>8</sup>

In *Coca Cola v All-Fect Manufacturers*,<sup>9</sup> the Full Court of the Federal Court said that use as a trade mark is using a sign to indicate a connection in the course of trade between the goods and the person who applies the mark. The Full Court<sup>10</sup> referred to certain striking non-descriptive features of the goods, bottle shaped cola confectionary, and said that they were put there to make the goods more arresting and to distinguish them from other similar goods. The court said that the primary function performed by those features was to distinguish the goods from others. “That is, to use those features as a mark.”

So what does “distinguish” mean?

Is it defined in the Trade Marks Act 1995?

What are your chances?

The capital gains tax provisions of the Income Tax Assessment Act do not define an asset.<sup>11</sup>

The Copyright Act does not define publish<sup>12</sup>

So it should come as no surprise that there is no definition of distinguish in the Trade Marks Act.<sup>13</sup>

This means that the meaning of distinguish in the Trade Marks Act 1995 can absorb and draw on the ordinary meaning of distinguish, and the meaning of distinguish developed and refined from the Australian caselaw under the Trade Marks Act 1955 and the English caselaw.

The Shorter Oxford Dictionary<sup>14</sup> defines distinguish as

- 1 To divide or separate; to class, classify
- 2 To mark as different or distinct; to separate by distinctive marks; to differentiate  
**b** to mark; to characterise

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<sup>6</sup> section 120

<sup>7</sup> *Top Heavy Pty Ltd v Killin* (1996) 34 IPR 282

<sup>8</sup> at 286

<sup>9</sup> *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 47 IPR 481

<sup>10</sup> at 492

<sup>11</sup> section 995-1 Income Tax Assessment Act 1997

<sup>12</sup> section 10 Copyright Act

<sup>13</sup> section 6

<sup>14</sup> Shorter Oxford English Dictionary, Vol 1, 1973 (reprinted 1985)

- 3 To recognise as distinct or different; to separate mentally; to perceive the difference between, to draw a distinction between

Similarly, Roget's Thesaurus<sup>15</sup> refers to difference, discrimination, severalise, separate. It notes that it is a word expressing relations or comparison.

The only statutory guidance in the Trade Marks Act 1995 is the notes to section 41(6) that state that

“Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

- (a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or
- (b) the time of production of goods or of the rendering of services,

This suggests that there is a tension between inherently distinctive signs and descriptive signs

Signs that are inherently distinctive are used to separate, to mark as different, goods and services from other goods and services. Distinctive is a relative concept. If a sign is distinctive, it says these are X goods, not Y goods or Z goods.

In contrast, signs that are descriptive will be taken by the consumer to describe the goods *themselves* or some *characteristic or quality of the goods themselves*. If a sign is purely descriptive, it says to the consumer that these goods are X. If a sign is purely distinctive, it says the goods are different, not for any particular reason, not because of the goods themselves or any characteristic or quality of the goods themselves. It simply says the goods are different. These are X goods. Therefore, they are not Y goods or Z goods.

In *Clark Equipment*, Kitto said<sup>16</sup>

"[T]he more apt a word is to describe the goods, the less inherently apt it is to distinguish them as the goods of a particular manufacturer."

As such, the test of whether a sign is inherently adapted to distinguish is classically stated to be<sup>17</sup>

" 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."

There are two reasons why a sign should only be registerable if it distinctive.

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<sup>15</sup> Rogets Thesaurus <http://www.thesaurus.com>

<sup>16</sup> *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 512 per Kitto J

<sup>17</sup> *Registrar of Trade Marks v W & G Du Cros Ltd* [1913] AC 624 at 634-635 per Lord Parker

First, as a matter of policy, a person should not be entitled to privatise and monopolise ordinary English words.<sup>18</sup> We should be slow to enclose part of the great common of the English language and exclude the general public from access.<sup>19</sup> This is evident from the strong words used by Kitto J in *Clark Equipment*<sup>20</sup> where he referred to the common *right* of the public to make honest use of words forming part of the *common heritage*.

The Full Federal Court echoed this sentiment in the more recent case of *T.G.I. Friday's Australia Pty Ltd v TGI Friday's Inc*<sup>21</sup>

“There is a natural disinclination to allow any person to obtain, by registration under trade mark legislation, a monopoly in what others may legitimately desire to use.

Second, as a commercial matter, effective trade marks convey information about the brand, rather than about the goods and services themselves.

Traditionally, a trade mark was considered a badge of origin, identifying a product as coming from a particular trade source.<sup>22</sup>

However, recent cases have acknowledged that a trade mark may be wider than this. A trade mark indicates a connection in the course of trade.<sup>23</sup> It is a sign indicating the origin of quality,<sup>24</sup> that a particular source is responsible for quality control and consistency. This includes a commercial connection or trade origin in the sense of a licence or an approval.

I submit that a trade mark is even wider than this.

A trade mark is the physical form of the brand

It is the brand made flesh

It is the tangible form of the indefinable, the invisible and the intangible

The vibe, the feel, the identity, the gestalt<sup>25</sup>

A brand owner does not want a sign to say these goods are big, these goods are yellow, these goods are plastic

A brand owner wants the sign to say these goods are different from all other big goods, from all other yellow goods, from all other plastic goods

A brand owner wants the sign to say

Nay

A brand owner wants the sign to yell unequivocally

These goods are different from other goods

These goods are my goods

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<sup>18</sup> see also in copyright *Data Access Corp v Powerflex Services Pty Ltd* (1999) 202 CLR 1

<sup>19</sup> Cozens-Hardy M.R. from *Joseph Crosfield & Sons Ltd's Appn* (1909) 26 RPC 837 at 854

<sup>20</sup> *Clark Equipment* at 514 per Kitto J

<sup>21</sup> *TGI Friday's Australia Pty Ltd v TGI Friday's* (2000) 48IPR 513

<sup>22</sup> *Attorney General v Brewery Employees Union of NSW* (1908) 6 CLR 469

<sup>23</sup> *Coca Cola v All Fect Distributors Ltd* 1999 47 IPR 481

<sup>24</sup> *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 21 IPR 1 at 25

<sup>25</sup> *Red Bull Australia Pty Ltd v Sydneywide Distributors Pty Ltd* (unreported, Conti J, 3/9/2001) – passing off of Red Bull energy drink where Dr Beaton, a marketing expert, used this phrase to define the brand

## Tests of Distinctiveness

In *Unilever v Karounos*,<sup>26</sup> Hill J said<sup>27</sup>

“section 41 conceives of three methods by which a word or symbol may be capable of distinguishing the applicant's goods or services from goods or services of other persons. ... These three inquiries form the basis for the determination of the capacity of a word or symbol to be registered as a trade mark.”

Section 41 indicates that there are three main types of distinctiveness:

- inherently adapted to distinguish;<sup>28</sup>
- capable of distinguishing goods and services by a combination of the inherent adaptation of the word or symbol to distinguish the goods and services, the use or intended use of the word or symbol by the applicant and any other circumstances;<sup>29</sup>
- not inherently adapted to distinguish but does in fact distinguish because of extent used trade mark before filed application.<sup>30</sup>

## Inherent Distinctiveness

Signs that are inherently capable of distinguishing goods and services are meaningless words or meaningless connections. This would include completely made up words like Mambo<sup>31</sup> or Telstra,<sup>32</sup> or words used completely out of their usual context such as Apple in relation to computers.<sup>33</sup>

They are inherently adapted to distinguish because that is their only possible function.

In addition, a word which is not inherently adapted to distinguish, such as a descriptive word or a person's name may become a distinctive sign if it is combined with swirly calligraphy, or an interesting logo such as The Body Shop.<sup>34</sup> The word itself cannot be registered as a trade mark but the combined sign, the word and the device, can be registered as a composite trade mark. The combination is distinctive because the other features give the sign as a whole its distinctiveness. For example, the word Thomas is not distinctive. But Thomas with the words “tank engine” and a train with a face in the front of the train and a certain shade of Thomas blue is distinctive.<sup>35</sup>

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<sup>26</sup> *Unilever Australia Limited v George Karounos and Sabre International Limited* (2001) 52 IPR 361 at para 44

<sup>27</sup> *ibid* Unilever n at para 46

<sup>28</sup> section 41(3)

<sup>29</sup> section 41(5)

<sup>30</sup> section 41(6)

<sup>31</sup> Trade mark 528575

<sup>32</sup> Trade mark 579922

<sup>33</sup> Trade mark 364209

<sup>34</sup> Trade mark 368810

<sup>35</sup> Trade mark 506708

Innovative brand makers will also consider the much broader canvass of the 1995 Act because of the expanded definition of “sign”. A sign now expressly includes an aspect of packaging, shape, colour, sound or scent.<sup>36</sup> As such, as well as combining a word with a picture, a word which is not inherently adapted to distinguish may be combined with an aspect of packaging, shape, colour, sound or scent. The combination may then be distinctive. Again, the non-word features give the sign as a whole its distinctiveness. The combination may then be registered as a trade mark.

### **Combination of inherent distinctiveness and use**

The problem with meaningless signs or meaningless connections is that they are meaningless. If you are spending a fortune promoting a sign, you might as well also convey *some* information about the product. The ideal sign both conveys some information but still has the capacity to distinguish.

This would include using the names from Greek and Roman mythology like Hercules,<sup>37</sup> Ajax<sup>38</sup> and Venus<sup>39</sup> which refer to features of the person which the brand owner wishes to use as a short-hand description of their product.

This would also include abbreviations such as Westpac<sup>40</sup> (short for Western Pacific).

In *Unilever v Karounos*,<sup>41</sup> Hill J said that

“the categories of descriptive words on the one hand and those that are capable of distinguishing goods and services on the other are not mutually exclusive... no firm divide between words which are descriptive and those which are capable of distinguishing goods and services from others.”

The key is that the descriptive word *acquires a secondary meaning*.

In *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals* Lockhart J said<sup>42</sup>

"The mere fact that a word is descriptive or has a descriptive flavour does not necessarily prevent it being distinctive of somebody's goods.

If a word is *prima facie* descriptive the difficulty of establishing that it is distinctive of the plaintiff's goods is considerably increased.

the question is one of degree. There must be a sufficient degree of distinctiveness to counterbalance the descriptive character of the word... A

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<sup>36</sup> section 6 “sign”

<sup>37</sup> Trade mark 99429 – chemical substances used for agriculture

<sup>38</sup> Trade mark 181845 – domestic cleaning and steel wool

<sup>39</sup> Trade mark 703574 – lipstick, nail polish, make-up

<sup>40</sup> Trade mark 819241

<sup>41</sup> *Unilever Australia Limited v George Karounos and Sabre International Limited* (2001) 52 IPR 361 at para 44

<sup>42</sup> *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at 335-336:

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”

However, under the 1955 Act and under section 41(3) and 41(5) it is essential that a sign has at least *some* inherent capacity to distinguish. In contrast, some signs may have been "*so totally descriptive of the goods concerned as to be unregistrable.*"<sup>43</sup>

For example, in *British Sugar Plc v James Robertson & Sons Ltd*<sup>44</sup>, Jacob J referred to the word "soap" and said<sup>45</sup>

"There is an unspoken and illogical assumption that 'use equals distinctiveness'. The illogicality can be seen from an example: no matter how much use a manufacturer made of the word 'Soap' as a purported trade mark for soap the word would not be distinctive of his goods. He could use fancy lettering as much as he liked, whatever he did would not turn the word into a trade mark. Again, a manufacturer may coin a new word for a new product and be able to show massive use by him and him alone of that word for the product. Nonetheless the word is apt to be the name of the product, not a trade mark."

Similarly, in *Unilever v Karounos*,<sup>46</sup> Hill J considered the word "real" where a registered trade mark owner argued Unilever was infringing its registered trade mark by using the word "real" on packaging (and in advertising material) relating to Continental chicken stock, Continental beef stock and Rosella soup.

"the word "real" has and is only capable of having a very direct reference to the character and quality of the goods in connection with which it is used. In my opinion, the word "real" in its ordinary usage and as used in the evidence in this case, is, in the words of Lockhart J, "so totally descriptive of the goods concerned as to be unregistrable". ... In my opinion, the evidence shows that almost without exception consumers understand the word "real" to refer to the character or quality of goods, or their ingredients, as being genuine, natural, organic, healthy or the like. There was no evidence to support the proposition that the word "real", on its own, is or can be regarded as a word which provides a "badge of origin". The qualities which it implies are all qualities a manufacturer or seller of goods or services may honestly wish to attribute to their goods and services by use of the word "real" without any intention to associate its goods with those of the respondents.... In my view the word "real" alone and without anything more is not inherently adapted to distinguish the goods or services of the respondents, assuming that there were any. "

This does not only cover descriptive words, but also descriptive words combined with laudatory words. The laudatory adjective does not make an otherwise purely

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<sup>43</sup> at 336

<sup>44</sup> *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281,

<sup>45</sup> at 302

<sup>46</sup> *Unilever Australia Limited v George Karounos and Sabre International Limited* (2001) 52 IPR 361

descriptive word distinctive. As such, Wilcox J considered that “Cranberry Classic” had no inherent distinctiveness because cranberry merely identified the drink, and classic merely conveyed a notion of excellence.<sup>47</sup>

### **Acquired Distinctiveness – No inherent distinctiveness but sign does in fact distinguish**

Section 41(6) now allows the Registrar to register marks even though they are purely descriptive if *in fact* they distinguish.

In particular, the Working Party reviewing the 1955 Trade Mark Act reported that<sup>48</sup>:

“... it is presently possible to establish that a mark is distinctive in fact and yet it will be held in law to be not registrable, as there is a requirement that a mark possess some degree, however small, of inherent adaptedness to distinguish. Marks falling into this category are typically geographical names and laudatory or descriptive words, and therefore likely to be used by other traders in the legitimate description of their goods or services.

This issue considered in *Blount Inc v Registrar of Trade Marks*<sup>49</sup> by Branson J in relation to an application to register the word “Oregon” in relation to chain saw equipment.

Branson J said

“The above question is, in my view, entirely one of fact. It does not involve consideration of the question whether the word “*Oregon*” is one “which other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use upon or in connexion with their goods” Such question is concerned with the issue of whether a word is adapted to distinguish one trader's goods from the goods of all others, not with the issue of whether the trade mark does in fact distinguish one trader's goods from the goods of all others.”

This new gateway will *particularly* assist in relation to geographical names. In some cases, the fame of the product may have outgrown the town, and the geographical name may have become more of an historical curiosity rather than a reference to the particular town. For example, who would know that Hanwood Port is named after the tiny village of Hanwood on the outskirts of Griffith. Under the 1955 Act such signs were unregistrable because the sign included the name of a town.<sup>50</sup> However, they may now be registrable under section 41(6).

### **Evidence**

The key to section 41(5) and 41(6) is evidence. Evidence may be necessary to establish that a sign which is in part inherently adapted to distinguish does or will

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<sup>47</sup> Ocean Spray Cranberries Inc v Registrar of Trade Marks (2000) 47 IPR 579

<sup>48</sup> Recommended Changes to the Australian Trade Marks Legislation, AGPS, July 1992 at 41

<sup>49</sup> Blount Inc v Registrar of Trade Marks (1998) 40 IPR 498

<sup>50</sup> Oxford University Press v Registrar of Trade Marks (1990) 17 IPR 509

acquire a secondary meaning through use or intended use. In applications under 41(6) where the sign is not inherently adapted to distinguish at all, evidence is **critical** in that it is a question of fact whether the sign does in fact distinguish goods and services.

In *Unilever v Karounas*, once Hill J had decided that the word “real” had no inherent capacity to distinguish, he then said that it was necessary to consider evidence of use as a trade mark before filing. However, in that case, the registered trade mark owner had not led any such evidence, so his claim to support his registration under section 41(6) failed.

In *Ocean Spray Cranberries*,<sup>51</sup> Wilcox J had to determine whether “Cranberry Classic” could be registered. The applicant had evidence that the applicant’s drink bottle labels included the words “Cranberry Classic”. However, the words were not being used “as a trade mark”. The cranberry drinks were part of a range of drinks which had been promoted under the name “Ocean Spray”, and the label also included the “Ocean Spray” trade mark. Wilcox J considered that “any association, in the public mind, between this product and the applicant company would have been derived from the use of the words “Ocean Spray” in advertising and on the labels of the products, not from the use of the words “Cranberry Classic”.

In contrast, in *Blount*’s case, there was a mountain of evidence dating back many years relating to the use of the word “Oregon” as a trade mark in relation to power cutting equipment such as chainsaws. In particular, Blount tendered

- evidence of use;
- evidence of promotion
- evidence from consumers;
- evidence from wholesalers;
- evidence from retailers

Branson J said that in her view it was not necessary as a matter of law for a statistically sound market survey to be undertaken. This is welcome in light of the practical difficulties of designing and conducting a survey in accordance with the Federal Court Practice Note.<sup>52</sup>

These cases suggest that any successful application under section 41(6) requires some careful forethought and planning, not just months but maybe years ahead.

Careful marketing, careful promotion, careful use  
May make an undistinctive shape  
Absolut distinctive  
Absolut registerable

And if all else fails  
Try passing off and section 52

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<sup>51</sup>Ocean Spray Cranberries Inc Registrar of Trade Marks (2000) 47 IPR 579

<sup>52</sup>Federal Court Practice Note 11 “Survey Evidence” 8 April 1994