

ACQUIRED DISTINCTIVENESS AS A SOLE CRITERION FOR THE REGISTRATION OF TRADE MARKS UNDER SECTION 25 OF THE TRADE MARKS ACT 1955 (CTH)

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The Trade Marks Act 1955 (Cth) (referred to in this article as "the Act") provides in ss 24-26 various criteria for establishing the registrability of trade marks under the Act. Those provisions require a trade mark to be distinctive or if not distinctive, capable of becoming distinctive of goods or services in respect of which registration of the trade mark is sought, before it could be registered.¹

This article examines s 25 of the Act, which provides for the registration of trade marks in Part B of the Trade Marks Register, in the light of some of the decisions of Australian courts. The object is to determine if such decisions conform with the terms of the provision. Some comparisons are made with the relevant provisions of the Trade Marks Act 1938 (UK). The article concludes that given the terms of s 25 of the Act, acquired distinctiveness could be a sole criterion for the registration of trade marks in Part B of the Register. The first part of the article considers the background to the section.

1 THE RATIONALE FOR PART B OF THE TRADE MARKS REGISTER

Part B registration was introduced into the Act on the recommendation of the Dean Committee appointed in 1952 to consider what alterations were desirable in the trade marks law of the Commonwealth, in order to achieve uniformity with United Kingdom legislation.² Part B of the register was introduced into the Trade Marks Act 1919 (UK) to make it easier for United Kingdom exporters who wanted to register their trade marks overseas to obtain registration at home because some foreign countries required such registration before they would register foreign trade marks.³ In the second reading speech introducing the Australian Trade Marks Bill to Parliament in 1955, the then Minister for Supply, Mr Beale, indicated that:

The main purpose of Part B, which is similar to provisions that have been adopted also in the United Kingdom, is to enable Australian traders to obtain rights in certain foreign countries, such as the United States of America and Germany, which will give no protection to a mark used in Australia unless the mark is a registered mark.⁴

As opposed to registration in Part A of the register, the requirements for registration of a trade mark in Part B were intended to be less stringent. According to the Report of the Dean Committee, trade marks proposed to be registered in Part B are:

those marks which are not inherently adapted to distinguish, but, while they may convey some indication as to the character, quality or source of the goods,

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¹ Sections 24(1) and 25(1).

² D R Shanahan, *Australian Trade Mark Law and Practice* (1982) 109.

³ *Id.*

are capable, by long and extensive use, of becoming distinctive. Such marks are very popular with traders and are widely used. At present they cannot obtain registration until, by long and extensive use, they have in fact come to denote the person who puts them on the market.⁵

Section 25 of the Act as enacted, is identical to the corresponding section of the Draft Bill prepared by the Dean Committee and annexed to its report.⁶

In the United Kingdom, Part B of the Register of Trade Marks was intended to be used to register trade marks which were too descriptive to qualify for registration under Part A but which were, in practice, found to be distinctive or if unused, to have some capacity to become distinctive in the future.⁷ In practice, Part B became largely a refuge for new trade marks of doubtful registrability refused registration in Part A.⁸

It appears, therefore, that Part B was intended for trade marks which are not inherently adapted to distinguish and was designed to enable Australian proprietors to readily obtain registration in Australia so that they could register their trade marks overseas. For the drafters of the Act, the criterion for registration of trade marks which are not distinctive in Part B is acquired distinctiveness.

2 THE STATUTORY PROVISIONS

Section 25 of the Act governs the registration of trade marks in Part B of the Trade Marks Register. It provides that:

A trade mark is registrable in Part B of the Register if it is distinctive, or is not distinctive but is capable of becoming distinctive, of goods or services in respect of which registration of the trade mark is sought and with which the applicant for registration is or may be connected in the course of trade.⁹

The provision gives two bases for registration in Part B: distinctiveness, and capacity of becoming distinctive of goods or services where a trade mark is not distinctive. The criteria in s 26(2) may be used to determine whether a trade mark is distinctive. If it is found to be distinctive it is, subject to the discretion of the Registrar to register a trade mark, registrable in Part B.¹⁰ The expression "capable of becoming distinctive" looks at the properties of a trade mark after the date of application to register and not at the date of application.¹¹ It appears from the provision that at the point of consideration of a trade mark to determine whether it is "capable of becoming distinctive" or not, the trade mark need not be distinctive. What is required for registration is that the trade mark is "capable of becoming distinctive" in the future. As Hack has pointed out:

⁴ H Repts Deb 1955, Vol 6, 574 (10 May 1955).

⁵ *Report of the Committee Appointed to Consider What Alterations are Desirable in the Trade Marks Law of the Commonwealth (The Dean Report)* (1954).

⁶ J B Hack, "Part B Registration in Australia" (1960) 50 TMR 371, 375.

⁷ A Michaels, *A Practical Guide to Trade Marks* (1982) 24.

⁸ T A Blanco White and R Jacob, *Kerly's Law of Trade Marks and Trade Names* (12th ed 1986) 130.

⁹ Apart from the 1978 amendment which introduced registration of service marks into the Act, the provision has remained as enacted in 1955.

¹⁰ A Liberman, *Guidebook to Australian Trade Marks Law and Practice* (2nd ed 1985) 19-20; *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511, 512-513 *per* Kitto J; Trade Marks Act 1955 (Cth) s 46.

¹¹ *Id.*

the words 'is capable of becoming distinctive' in the Australian section should be considered in conjunction with the preceding words 'is not distinctive but' and not separately therefrom, since they are clearly related and interdependent. The section distinguishes between two groups of marks namely distinctive marks and non-distinctive marks, marks of the first group being registrable in Part B without qualification and marks of the second group being registrable in Part B only if they have the quality of becoming distinctive at a future time. There is no room for argument as to whether the words in the second group must possess a degree of distinctiveness since they are clearly stated to be marks which are non-distinctive at the time of application.¹²

Thus, it is not necessary for a trade mark to be inherently distinctive to qualify for registration in Part B but it has to be capable of becoming distinctive by use or other circumstances.

Section 26(1) of the Act defines "distinctive" for the purposes of the whole Act as "adapted to distinguish goods or services...". Section 26(2) provides the criteria for determining distinctiveness as follows:

In determining whether a trade mark is distinctive, regard may be had to the extent to which (a) the trade mark is inherently adapted so to distinguish and (b) by reason of the use of the trade mark or of any other circumstances, the trade mark does so distinguish.

Section 26 does not define the words "capable of becoming distinctive" contained in s 25, nor does it provide an express statement of the factors to be considered in deciding whether a trade mark is capable of becoming distinctive. The word "adapted" in s 26(2)(a) has a completely different meaning from the word "capable" in s 25. In *"Weldmesh" Trade Mark*, Wilmer LJ emphasised this difference in these words: "...a rough piece of wood is no doubt 'capable' of being made into an elegant piece of furniture. But no one would suggest that it is 'adapted' to that purpose until a good deal of preliminary work has been done upon it."¹³ It is, therefore, arguable that to determine the meaning of the expression "capable of becoming distinctive", ss 25 and 26 should be read together so as to modify the provisions of s 26 to suit the terms of s 25. If this is done, it becomes clear that

in determining whether a non-distinctive mark is registrable under section 25, the Registrar or court must be concerned primarily with the question of assessing whether the mark is such that, if it is used by the applicant in the normal way as a trade mark in respect of the goods for which registration is sought, it will, after a reasonable period, be adapted to distinguish the goods of the applicant from those of others within the meaning of section 26(1). This assessment requires a degree of prevision.¹⁴

Section 25 could, therefore, be interpreted as permitting the registration in Part B of trade marks which are not adapted to distinguish but are capable of becoming adapted to distinguish the goods or services of an applicant from those of others. Furthermore, in accordance with the legal principle that a general statutory provision should not be treated as derogating from a specific statutory provision,¹⁵ s 26, as a general provision for the purposes of the whole Act,

¹² J B Hack, *supra* n 6, 385.

¹³ [1966] RPC 220, 227.

¹⁴ J B Hack, *supra* n 6, 386.

¹⁵ F K H Maher, L Waller and D Derham, *Cases and Materials on the Legal Process* (4th ed 1984) 421.

should not be interpreted to derogate from the specific terms of s 25. Thus, the criteria in s 26 may not impinge on the terms of s 25.

According to Shanahan, for a trade mark to be capable of becoming distinctive, it must be capable of meeting at some time in the future the requirements of s 26.¹⁶ If, by this statement, he means that the trade mark must in future be both inherently adapted to distinguish, and able to distinguish by reason of use, then the validity of his statement is doubted because "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."¹⁷ The use of the expression "...not distinctive but...capable of becoming distinctive" in s 25 negates any consideration of inherent distinctiveness.

Section 10 of the Trade Marks Act 1938 (UK) provides an interesting contrast to s 25 of the Act, and could serve to provide a further indication of the intentions of the Australian legislature in enacting the Australian provision. It states that:

- (1) In order for a trade mark to be registrable in Part B of the Register it must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.
- (2) In determining whether a trade mark is capable of distinguishing as aforesaid the tribunal may have regard to the extent to which (a) the trade mark is inherently capable of distinguishing as aforesaid; and (b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

There appear to be some important differences between this provision and s 25 of the Act. Whereas the United Kingdom Act employs the expression "capable of distinguishing", the Australian Act uses the term "capable of becoming distinctive". Shanahan observes that the drafters of the Australian provision purposely avoided the difficult concept of a mark "capable of distinguishing" in s 10 of the United Kingdom Act in favour of the expression "capable of becoming distinctive" in s 25 of the Australian Act.¹⁸ Section 25 of the Act refers to a mark which is "not distinctive but is capable of becoming distinctive". Section 10 of the Trade Marks Act 1938 (UK) makes no reference to such a mark. It provides explicit criteria for determining whether a trade mark is capable of distinguishing goods. The Australian Act does not contain a provision for determining whether a trade mark is capable of becoming distinctive or not. Thus, it has been argued that by so drafting the Australian provision, the legislature intended the meaning of the expression "capable of becoming distinctive" to be different from the expression "capable of distinguishing" in s 10 of the United Kingdom Act.¹⁹

¹⁶ D R Shanahan, *supra* n 2, 110.

¹⁷ *Burger King Corp v Registrar of Trade Marks* (1973) 128 CLR 417, 424 *per* Gibbs J.

¹⁸ D R Shanahan, *supra* n 2, 109.

¹⁹ J B Hack, *supra* n 6, 385-386.

The United Kingdom Act has no room for trade marks which are not distinctive. Section 10(2) draws a distinction between marks that are "inherently capable of distinguishing" and marks that, although inherently not capable of distinguishing, have nevertheless acquired that capability in use. Accordingly, it is not enough for an applicant in such a case to establish that the mark may, after some use, become distinctive of his or her goods. Where he or she cannot point to actual use of the trade mark or to other circumstances showing some degree of distinctiveness, he or she must show an inherent capacity for distinctiveness going beyond the mere possibility of the trade mark becoming distinctive after future use.²⁰ An application to register a trade mark in Part B of the United Kingdom Act would, therefore, be successful if the trade mark has some distinctiveness, inherent or acquired or both, at the time of the application.

The courts in the United Kingdom have, however, determined that registration in Part B would be refused where a trade mark totally lacked an inherent aptitude to distinguish.²¹ Such a refusal would be made even where the trade mark was in fact one hundred percent distinctive of the applicant's goods.²² This position was affirmed by the House of Lords in *York Trailer Holdings Ltd v Registrar of Trade Marks*.²³ York Trailer Holdings Ltd applied for the registration of a trade mark consisting of the word "York" in block capital letters in white with a leaf, similar to a maple leaf, drawn inside the letter 'O', the whole being on a black rectilinear background. York Trailer Holdings' parent company was a Canadian company from York, Ontario. Neither company had any connection with the city of York in England. The application related to trailers and containers for the transportation of freight in connection with which the trade mark was alleged to be used.²⁴ The evidence of use of the trade mark supporting the application was substantial: the trade mark had been used in the United Kingdom since 1957 and the sales figure for the goods with which the mark was used in connection, between 1970 and 1974, was 48 million pounds.²⁵ The advertising expenditure had been more than 1.75 million pounds.²⁶ The evidence suggested that the word "York" used as a trade mark for the relevant goods was distinctive of the applicants and denoted their goods and those of no one else.²⁷

The Registrar refused to register the word "York" unless the applicants agreed to disclaim exclusive rights in it. This was because the word "York" was the geographical name of an English city of some 100,000 people where other people might wish to set up a manufacturing operation and it was not right to allow the applicants to monopolise, for use in connection with their goods, the name of an important city.²⁸ Furthermore, in view of the geographical significance of the name, the trade mark "York" was incapable of registration in

²⁰ "Autoanalyzer" Trade Mark [1970] RPC 201, 206 per Whitford QC.

²¹ *Yorkshire Copper Works Ltd's Application* (1954) 71 RPC 150; *Electrix Ltd v Electrolux Ltd* [1960] AC 722; *Liverpool Electric Cable Co Ltd's Application* (1929) 46 RPC 99.

²² *Id.*

²³ [1982] 1 All ER 257; [1982] FSR 111.

²⁴ *Id.*

²⁵ *York Trade Mark* [1981] FSR 33, 44.

²⁶ *Id.*

²⁷ [1982] 1 All ER 257, 259.

²⁸ *Ibid* 257; *York Trade Mark* [1981] FSR 39, 44.

either Part A or Part B of the register because it had no inherent distinctiveness.²⁹

The applicants did not agree to a disclaimer and appealed to the High Court, where Graham J allowed the appeal.³⁰ The Registrar then appealed to the House of Lords, which allowed the appeal holding that the Registrar's decision was based on a correct application of authority.³¹

These decisions appear to be supported by the express terms of s 10(2) of the Trade Marks Act 1938 (UK), which provides that the criteria for determining whether a trade mark is "capable of distinguishing goods" is whether the trade mark is "inherently capable of distinguishing" and is in fact capable by reason of use or other circumstances of distinguishing. Inherent capability to distinguish is, therefore, one of the criteria which a trade mark must satisfy to attain registration. The Trade Marks Act 1955 (Cth) does not provide any such specific criteria for determining whether a trade mark is capable of becoming distinctive but it is of interest to consider what Australian courts have decided on the matter.

3 THE DECISIONS OF AUSTRALIAN COURTS

Section 25 of the Act has been interpreted to mean that for a trade mark to be registrable in Part B of the Register, it must have some degree of inherent distinctiveness and factual distinctiveness.³² Factual distinctiveness alone is not enough.

In *Burger King Corporation v Registrar of Trade Marks*³³, the applicant, an American company, applied to register the word "whopper" as a trade mark in respect of all goods in class 30, including sandwiches, in Part B of the Register. Although the trade mark had been used extensively in the United States and was well-known there, it had not hitherto been used by the applicant in Australia. The applicant argued that if the trade mark was used in respect of its goods, it would be capable of becoming distinctive of them as required by s 25 of the Act.³⁴

The Registrar refused the application and on appeal to the High Court, Gibbs J held that although on the basis of the evidence the word "whopper" was capable, by reason of use, of distinguishing the applicant's goods, it was not inherently adapted to distinguish them and could, therefore, not be registered in Part B.³⁵ With respect to the criteria in s 26(2) of the Act, Gibbs J said that when the determination has to be made as to whether a trade mark is capable of becoming distinctive, the considerations are whether the trade mark is inherently adapted to distinguish, and whether it is capable in fact of distinguishing, the goods by reason of future use or other circumstances.³⁶ Justice Gibbs held that, "in Australia...an inquiry as to the inherent adaptability of the trade mark must be

²⁹ *York Trade Mark* [1981] FSR 39, 44.

³⁰ *Ibid* 50.

³¹ [1982] 1 All ER 257, 263. Thus, the House of Lords has overruled English cases like *"Weldmesh" Trade Mark* [1965] RPC 590 and *Davis v Sussex Rubber Co* (1927) 44 RPC 412, which suggest that if a trade mark was capable, through use, of distinguishing an applicant's goods, it could be registered in Part B of the Register.

³² S Ricketson, *The Law of Intellectual Property* (1984) 644.

³³ (1973) 128 CLR 417.

³⁴ *Ibid* 420-421.

³⁵ *Ibid* 419, 425.

³⁶ *Ibid* 424.

made where the question is whether the trade mark is capable of becoming distinctive as well as when the question is whether it is in fact distinctive."³⁷

In *Clark Equipment Co v Registrar of Trade Marks*, the applicant, also an American company, sought registration of the trade mark "Michigan" in respect of tractor shovels, front end loaders and other heavy earth moving equipment.³⁸ There was the evidence that the word had acquired a reputation in Australia as referring specifically to the applicant's goods and the applicant had obtained registration of it as a trade mark in the United States in respect of those goods.³⁹ The Assistant Registrar refused to accept the application.⁴⁰ The applicant appealed to the High Court where Kitto J held that the trade mark was not registrable in Part B because it was not adapted and was not capable of becoming adapted to distinguish the appellant's goods from goods with which it had no connection in the course of trade.⁴¹ As 'Michigan' was the name of a state in the United States which had important manufacturing centres, it was likely that other traders producing similar goods there would wish to use that name in respect of their goods.⁴² The trade marks system could, therefore, not be used to grant the appellant a monopoly in that name. Justice Kitto saw s 26(2) of the Act as requiring inherent adaptability to be weighed against the degree of acquired distinctiveness to determine whether a trade mark was adapted to distinguish particular goods. Under that provision two inquiries were relevant: not only an inquiry concerning acquired distinctiveness, but also an inquiry concerning the inherent fitness of a trade mark for the purpose of distinguishing an applicant's goods from those of other persons.⁴³

These decisions do not appear to pay heed to the express terms of s 25: "A trade mark is registrable in Part B of the Register if it is distinctive, *or is not distinctive* but is capable of becoming distinctive..." (emphasis added).⁴⁴ The decisions seem to ignore the import of the words "or is not distinctive" in the provision as if they do not exist. If a trade mark is not distinctive to start with, but a determination as to whether it is capable of becoming distinctive has to be made, it is difficult to see how one could purport to determine whether the trade mark is inherently adapted to distinguish or not. What the provision points to is that a trade mark which is not distinctive at a particular time could become distinctive in the future by use or other circumstances. Thus, such a trade mark could be described at the time of examination as "capable of becoming distinctive".

The way in which the courts have interpreted s 25 has made the requirements in the provision more stringent than the legislature intended. For instance, in *Clark's* case, Kitto J indicated that a trade mark which had achieved distinctiveness by actual use, or by virtue of special circumstances so as to provide a sufficient foundation for a passing off action, would not be registered

³⁷ *Ibid* 425. See generally *Re Application by Grant* (1987) 9 IPR 57; *Re Application by Food Plus Ltd* (1988) 9 IPR 251; *Re Application by Waterford Glass Group Ltd* (1988) 9 IPR 339.

³⁸ (1964) 111 CLR 511, 512.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Ibid* 517.

⁴² *Ibid* 516.

⁴³ *Ibid* 513.

⁴⁴ Italics added.

under the Act if it were inherently unadapted to distinguish.⁴⁵ But, as indicated earlier in this article, the drafters of the provision intended s 25 to be used for trade marks which are not inherently adapted to distinguish but are capable, by long and extensive use, of becoming distinctive.⁴⁶

A further indication of the stringent interpretation of s 25 adopted by the courts lies in their decision that the word "may" in s 26(2) means "must", thus making recourse to the criteria for determining distinctiveness in this provision compulsory.⁴⁷ This approach is contrary to the established principle of interpretation that the use of the permissive word "may" imports the exercise of a discretion.⁴⁸ It is arguable, on the basis of those principles, that the legislature intended reliance upon the criteria in s 26(2) to be within the discretion of the Registrar and the courts. In the case where the Registrar or a court is considering the registrability of a trade mark which is not distinctive to determine whether it is capable of becoming distinctive within the terms of s 25 of the Act, it is suggested that the Registrar or the court should not exercise its discretion to employ the criteria in s 26(2). It is arguable that the criteria in s 26(2) applies to determine whether a trade mark is distinctive but does not, without modification, apply where a trade mark is not distinctive and a determination has to be made as to whether it is capable of becoming distinctive under s 25.

As has been indicated above, it appears from the terms of s 25 that what a court or the Registrar should do when faced with an application for the registration of a trade mark under the provision is to determine whether the trade mark is distinctive. For the purpose of doing this, reliance could be placed on the criteria in s 26(2). If the trade mark is distinctive according to these criteria, it is, subject to the discretion of the Registrar, registrable in Part B of the Register. If the examination of the trade mark discloses that it is not distinctive, then the court or Registrar must determine whether, in spite of it not being distinctive, it is capable of becoming distinctive of the goods or services in respect of which registration of the trade mark is sought. In considering this:

regard may be had to any conditions or limitations to which the registration is to be subject and any evidence of use of the mark or other circumstances which may assist in determining the capacity of the mark to become distinctive and whether the mark is one which by its nature is such that, irrespective of the extent of use of the mark, a monopoly in the use of it should not be required.⁴⁹

In *Bausch & Lomb Inc v Registrar of Trade Marks*, Lee J appears to have adopted this approach.⁵⁰ The applicant, an American company, applied to register the word "Soflens" in class 9, in respect of optical goods, namely flexible contact lenses and accessories. The trade mark had been registered in eighty-three countries, mostly under the equivalent of Part B of the Australian

⁴⁵ (1964) 111 CLR 511, 513.

⁴⁶ *The Dean Report*, *supra* n 5, para 15.

⁴⁷ *Clark's case supra* n 38, 513 *per* Kitto J; A Liberman, *supra* n 10, 20.

⁴⁸ D C Pearce and R S Geddes, *Statutory Interpretation in Australia* (3rd ed 1988) 198. In a similar context in *HTX International Pty Ltd v Semco Pty Ltd* (1983) 49 ALR 636, 647, Fox J said that relief under s 22 of the Trade Marks Act 1955 (Cth) would be, *prima facie*, discretionary because of the use of the permissive "may" in the opening words of the section.

⁴⁹ J B Hack, *supra* n 6, 388.

⁵⁰ (1980) 28 ALR 537.

Register.⁵¹ The Registrar refused the application on the ground that the word was not distinctive.⁵² On appeal to the Supreme Court of New South Wales, there was overwhelming evidence before Lee J that people in the eye-care industry understood the word "Soflens" as relating to only the lenses of the applicant.⁵³ The trade mark had been used in Australia since 1973.⁵⁴ Justice Lee held that the word "Soflens" was not inherently adapted to distinguish the appellant's goods because it was highly descriptive of the nature of those goods.⁵⁵ His Honour found, however, that the degree of factual distinctiveness achieved by use of the trade mark was so impressive that the trade mark could be registered in Part B.⁵⁶ Thus, in this case where there was no inherent adaptability to distinguish, Lee J was prepared to rely on factual distinctiveness of a high order to permit registration in Part B and as a result, go against High Court decisions on the matter. Ricketson disapproves of Lee J's interpretation of s 25 as it is contrary to High Court authority and is "very close to according registration in Part B to marks which are only factually distinctive".⁵⁷ He argues that s 26 of the Act draws no distinction between Parts A and B of the Trade Marks Register on the requirement of inherent distinctiveness.⁵⁸ But, as has been indicated above, this view does not accord with the express terms of s 26 read together with s 25. The use of the word "may" in s 26(2) suggests that recourse to the criteria it provides is discretionary and may not be made in inappropriate circumstances, like the situation where a determination has to be made under s 25(1) as to whether a trade mark which is not distinctive is capable of becoming distinctive of goods or services in respect of which its registration is sought. Ricketson's comment that the "effect of Lee J's decision would be that while some degree of inherent distinctiveness greater than that possessed by 'Soflens' would be required for registration within Part A, a mark would be registrable as a 'distinctive mark' within Part B virtually upon factual distinctiveness alone"⁵⁹ fails to take account of the limitations of Part B registration discussed in his book,⁶⁰ as opposed to the advantages of Part A registration.

The comments of Lockhart J in *Riv-Oland Marble Company (Vic) Pty Ltd v Settef Spa*⁶¹ afford some support for the interpretation of s 25 adopted in this article. In discussing distinctiveness, his Honour stated that there are, broadly speaking, two kinds of distinctive marks: those which are inherently adapted to distinguish (s 26(2)(a)) and those which have acquired factual distinctiveness within s 26(2)(b).⁶² According to his Honour:

if a mark is inherently adapted to distinguish it will be registrable in Pt A of the Register without evidence. If a mark is not inherently adapted to

51 *Ibid* 539.

52 *Ibid* 540.

53 *Id.*

54 *Ibid* 539.

55 *Ibid* 547-548.

56 *Ibid* 548.

57 S Ricketson, *The Law of Intellectual Property* (1984) 657.

58 *Ibid* 658.

59 *Ibid* 657-658.

60 *Ibid* 658.

61 (1988) AIPC 90-517, 38 455; case note in (1989) 6 EIPR 216. Special leave to appeal to the High Court has been granted to the unsuccessful appellant.

62 *Ibid* 38 483.

distinguish it may nevertheless be registered if the evidence discloses that it has become distinctive in fact, in that it is recognised in the market as a mark distinguishing the goods of the applicant for registration from those of other traders.⁶³

In other words, factual distinctiveness could be a sole criterion for the registration of a trade mark under s 25 of the Act.

4 THE PRACTICE OF THE REGISTRAR OF TRADE MARKS

In practice, the Registrar of Trade Marks follows United Kingdom precedents in accepting or refusing applications to register trade marks, particularly where there is no material difference in the Australian and United Kingdom provisions.⁶⁴ The restrictive United Kingdom practice against registration of, for instance, geographical names⁶⁵ and descriptive words⁶⁶ has, therefore, been followed in Australia.⁶⁷ In *Clark's case*,⁶⁸ Kitto J said that:

the name of a place or of an area could hardly ever be adapted to distinguish one person's goods from the goods of others and apart from the great difficulty in proving that by reason of use or other circumstances it does in fact distinguish goods, it is virtually, if not completely impossible to satisfy the Registrar or a court that the effect of granting registration would not be to deny the use of the word or name to those who might legitimately wish to use it in connection with their goods or services.⁶⁹

Section 64 of the Act protects however good faith use of, *inter alia*, the name of a person's place of business and the description of the character or quality of his or her goods in actions for infringement of trade marks. It points to the possibility of the awareness of the legislature that some geographical names and some words referring to character or quality of goods or services could acquire so much factual distinctiveness as to be registrable under s 25 of the Act.⁷⁰ In such cases, the proprietors of the trade marks would have sufficiently acquired reputations in them to be almost certain to succeed in passing off proceedings against persons using identical trade marks on identical goods. It may, therefore, be difficult to see what practical purpose there is in refusing registration to such trade marks.⁷¹ As Fletcher-Moulton LJ indicated in *Re J Crosfield & Sons Ltd's Application*,⁷² past user of a trade mark could limit the possibility of other traders safely or honestly using the trade mark and a court could well grant the

⁶³ *Id.*

⁶⁴ D R Shanahan, *supra* n 2, 112; *Pioneer Electronic Corporation v Registrar of Trade Marks* (1977) 137 CLR 670, 686.

⁶⁵ *Eg* the *Yorkshire* case for copper piping, *supra* n 21; the *Liverpool* case for electric cables *supra* n 21; and the *York* case for trailers and containers, *supra* n 23.

⁶⁶ *Eg Electrix Ltd v Electrolux Ltd*, *supra* n 21; *Re J Crosfield & Sons Ltd's Application* [1910] 1 Ch 130.

⁶⁷ *Clark's case*, *supra* n 38; *Kimberley-Clark Corp v Registrar of Trade Marks* (1963) 109 CLR 527; *Burger King Corp v Registrar of Trade Marks* (1973) 128 CLR 417. (1969) 111 CLR 511.

⁶⁸ *Ibid* 515.

⁶⁹ S Gratwick, "The York Trailer Case - Was 'York Trailer' Correctly Decided?" (1983) 2 EIPR 45-49.

⁷¹ P Cole, "The York Trailer Case - Registrability of Geographical Names and Other Prima Facie Non-Distinctive Words in Part B" (1980) 2 EIPR 402, 405. Compared with a common law action for passing off, registration under the Trade Marks Act 1955 (Cth) would, to some extent, simplify proceedings.

⁷² [1910] 1 Ch 130.

desired permission to register such a trade mark.⁷³ It seems that the registration of such names and words as trade marks in Part B would not jeopardise the interests of other traders in using the trade marks because "a part B trade mark is not infringed by use of it as a trade mark by other persons if they sufficiently indicate the true source of their goods."⁷⁴

It is when the possibility of registering certain geographical names and words describing the character or quality of goods or services is accepted that the protection offered by s 64 for the use in good faith of such words or names could be meaningfully utilised. Thus, it is arguable that the existence of s 64 provides some indication of the possibility of registering geographical and descriptive words which have acquired distinctiveness in Part B of the Register.

5 THE LIMITATIONS OF PART B REGISTRATION

Trade marks registered in Part B have certain limitations. For instance, a Part B trade mark has more limited protection against infringement than a Part A trade mark. Section 62(2) of the Act provides a special defence to proceedings for infringement of a Part B trade mark, namely, that the use of the trade mark complained of is not likely to deceive, to cause confusion, or to be taken to be a trade mark use.

In *Marc A Hammond Pty Ltd v Papa Carmine Pty Ltd*,⁷⁵ Wootten J had to consider whether the registered trade mark "Giovanni's" was infringed by the use of the trade mark "Papa Giovanni's" by the proprietor of the Papa Giovanni Pizza House and Restaurant. Wootten J held that s 62(2) of the Act referred to actual use of a trade mark and not its potential use because a consideration of potential use under the provision would frustrate the clear intention of the legislature to limit the protection given to trade marks registered in Part B.⁷⁶ Justice Wootten held that the actual use of the names "Papa Giovanni's" by the defendant did not convey the representation that the goods sold by the defendant were those of the plaintiffs and, therefore, the defendant had established its defence under s 62(2).⁷⁷

It appears, therefore, that infringement of a Part B trade mark must be virtually in the nature of passing off, before relief would be granted.⁷⁸ Actions for the infringement of Part B trade marks may thus be difficult to sustain.

Other vulnerabilities of Part B trade marks are that the provisions of the Act limiting the grounds upon which Part A trade marks could be attacked after three and seven years of registration respectively, do not apply to Part B trade marks.⁷⁹ This means that an aggrieved person could ask a court at any time to remove a Part B trade mark from the Register on the ground, for instance, that it is no longer distinctive. A Part B trade mark could also not be used to obtain defensive registration under s 93 of the Act.

⁷³ *Ibid* 859.

⁷⁴ W R Comish, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (1981) 528.

⁷⁵ [1976] 2 NSWLR 124.

⁷⁶ *Ibid* 128.

⁷⁷ *Id.*

⁷⁸ A Liberman, *supra* n 10, 78-79.

⁷⁹ Sections 60, 61.

These limitations suggest that registration in Part B of trade marks which have acquired distinctiveness by reason of use or other circumstances would do no probable harm to persons with legitimate claims who might also wish to use those trade marks. Actions for infringement of such trade marks may be difficult to win because of the defences in s 62(2) of the Act and the interpretation the courts have given to them. Applications could be brought at any time to remove a Part B trade mark from the Register on the ground, for instance, that it is no longer distinctive.

6 CONCLUSIONS

The courts and the Registrar of Trade Marks have refused to accept acquired distinctiveness as a sole criterion for the registration of trade marks in Part B of the Register. Nevertheless, it is arguable from a consideration of the express terms of s 25(1) of the Act, the intention of those who drafted the provision, and the limitations of such registration, that acquired distinctiveness could be a sole criterion for the registration of a trade mark in Part B. Under s 25(1) of the Act, a trade mark may be registered in Part B of the Register if it is merely capable of becoming distinctive. Furthermore, allowing such registration would enable Australian proprietors to obtain registration of their trade marks in countries which insist on registration in Australia before providing registration to Australian trade marks. This would fulfil the original intention of the legislature to use Part B registration to facilitate the registration of Australian trade marks overseas.