

# THE NEW FORMS OF REGISTRABLE MARKS: MARKET UPTAKE IN THE FIRST FIVE YEARS

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## I INTRODUCTION

The *Trade Marks Act 1995* (Cth) has now been in operation for five years, enough time to sit back and absorb some of the ramifications following its introduction on 1 January 1996. Undoubtedly one of the most publicised issues at the time of the Act being introduced related to the extended definition given to the term 'trade mark', so much so that the matter was widely canvassed in the popular press of the day. The interest generated related to the fact that shapes (including aspects of packaging), colours, sounds and scents were now eligible to be registered as trade marks, although it has to be said that it was possible to register shapes<sup>1</sup> and colours<sup>2</sup> as trade marks under the previous legislation. It was the non-visual signs, sounds and scents that represented a radical addition to the law.

In reality, the change was primarily designed to bring the Australian Act into line with overseas legislation and rulings. International trade mark law now recognises that with changing trading patterns, where products often have to sell themselves, different ways have evolved of attracting customers to products and enabling them to distinguish those products from competing products. Trade marks no longer merely indicate origin (source) and product quality. The modern rationale for trade mark protection incorporates the information or publicity a trade mark fulfils through advertising and promotion.<sup>3</sup>

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<sup>1</sup> Although it was usually distinctive two-dimensional pictorial representations of products and packaging that were registered.

<sup>2</sup> See for example *Smith Kline & French Laboratories v Sterling-Winthrop Group Ltd* [1976] RPC 511; cf *Smith Kline & French Laboratories v Registrar of Trade Marks* [1967] CLR 628.

<sup>3</sup> Anselm Kamperman Sanders, 'Some Frequently Asked Questions about the 1994 UK Trade Marks Act' [1998] 2 *European Intellectual Property Law Review* 67, 69.

Australia is a signatory to the *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)* concluded by the World Trade Organisation.<sup>4</sup> The *TRIPS Agreement* establishes certain international standards for the mandatory adoption and enforcement of a range of intellectual property rights, including trade mark law. The change to the definition of registrable trade marks in Australia was thus brought about by the need to comply with the *TRIPS Agreement*.<sup>5</sup>

There were always going to be some difficulties confronting traders registering and protecting the new forms of trade mark, difficulties that might in fact deter traders from actually seeking to register such marks. This article examines actual applications made for registration of such marks since the new Act's introduction,<sup>6</sup> using the Australian Trade Mark Online Search System (ATMOSS). ATMOSS has been set up by IP Australia to allow public searching of the Trade Marks Office computer database.<sup>7</sup>

## II THE TRADE MARK DEFINITION

A trade mark is defined by the Act (s 17) as follows:

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.

In order to register a trade mark it therefore must be a 'sign'. A 'sign' is defined (by s 6) as including (individually or in combination):

any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent.

The definition of 'sign' in the 1995 Act specifically recognises that shapes, colours, sounds, and scents can potentially perform the function of a trade mark. This flexible definition is intended to serve the needs of the marketplace so as to be capable of adapting to changes in marketing practices. If a sign actually functions in the marketplace as a trade mark, that is, indicating the origin or source of a product by distinguishing it from others, it should be registrable as a trade mark.

Despite the publicity given to this 'revolutionary' decision to allow shapes, colours, sounds and scents to be registered as trade marks, it would seem that the initial excitement, or at least, interest, in the possibility of registering such marks has not been converted into any significant action or use. Once the limitations and problems inherent in using and registering such marks are understood, this is not a surprising outcome. It was actually foreseen very early by some experts:

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<sup>4</sup> The *TRIPS Agreement* is an annexure to the General Agreement on Tariffs and Trade (GATT).

<sup>5</sup> Article 15.

<sup>6</sup> See an early survey by Sharon Theedar, 'Signs of the times' (1997) 10 *Australian Intellectual Property Law Bulletin* 87. The statistics used in our article were current as at 1 November 2000.

<sup>7</sup> The authors would like to acknowledge the help and guidance given by Mr Peter Conlan at IP Australia in the effective use of ATMOSS.

The exciting new concepts in registrable marks, shapes, sounds and smells etc, however fascinating legally and technically, will surely always be of minority interest only. Were it not so, then the law of passing off would doubtless have played a much greater role than it has done to date in protecting these categories of marks, since mere lack of registrability would not have prevented proprietors from seeking to protect them.<sup>8</sup>

In the United Kingdom the White Paper canvassing similar reforms to the UK Trade Marks Act in 1990 contained the following observation:

The experience in the United States, which has long operated an open-ended definition of what may be registered, is that applications to register unusual kinds of trade mark...are very infrequent.<sup>9</sup>

In fact, since 1 January 1996, the total number of 'shape, colour, sound and scent' marks applied for in Australia has been less than 1200 in number. The number that has actually proceeded to registration at this point in time is approximately 180, which represents less than two in a thousand of all trade mark registrations.<sup>10</sup> Whether due to lack of interest or the difficulties of registering such marks, it affirms the accuracy of the above-mentioned forecasts.

### III THE REGISTRATION OF TRADE MARKS

To appreciate the limitations and difficulties involved in registering and protecting signs such as shapes, colours, sounds and scents requires an understanding of two of the essential prerequisites to trade mark registration, namely:

- the requirement that a sign be represented *graphically*; and
- the requirement that a sign be *capable of distinguishing* the goods or services of the proprietor.<sup>11</sup>

#### A *Graphical Representation*

An application for the registration of a trade mark will be rejected if the trade mark cannot be represented graphically (s 40). This essentially means that the mark must be capable of being represented or described, in some way, on paper. This requirement is a practical and administrative one. It is essential that a system which allows traders to assert monopoly rights to registered trade marks must allow other traders to ascertain the scope of existing rights. Usually other traders will search the Register of Trade Marks to obtain such information. Thus, for the purposes of registration, trade marks must be represented in a form that can be recorded and

<sup>8</sup> Michaels, *A Practical Guide to Trade Marks Law* (2<sup>nd</sup> ed, 1996) 13.

<sup>9</sup> Reform of Trade Marks (Cm 1203) 1990, para 2.13.

<sup>10</sup> These figures are indicative only, the calculations being based on a survey by John Revesz, *Trade-Related Aspects of Intellectual Property Rights* (Productivity Commission, 1999) 79, which puts Australian trade mark registrations at around 22,000 per year.

<sup>11</sup> This requirement incorporates the ability to *actually* distinguish through extensive use, as discussed later in this article.

published. Although useful, it would clearly be inappropriate for the Registrar to accept three-dimensional specimens of shapes or recordings of sounds as the *sole* means of identifying a mark. A graphic representation of some sort must also accompany such specimens.

Graphical representations can be achieved by writing, drawing or by graph. For example, a three dimensional mark might be portrayed by one or more drawings or photographs and/or described in words. Perspective or isometric drawings are required for all shape marks and must show all features of the sign. Nevertheless, the requirement that marks must be represented graphically would appear to create problems from a practical viewpoint when registering non-visual or sensory trade marks like sounds or scents, even though both may effectively indicate the trade connection of certain goods or services.

Thus some assistance, by necessity, is given by the Regulations:

If a trade mark for which registration is sought contains or consists of a sign that is a colour, scent, shape, sound or an aspect of packaging, or any combination of those features, the application for registration of the trade mark must include a concise and accurate description of the trade mark.<sup>12</sup>

If the Registrar reasonably believes that the description or representation of a trade mark in an application for registration of the trade mark does not:

- (a) demonstrate the nature of the trade mark sufficiently; or
- (b) show each feature of the trade mark sufficiently;

to permit examination of the trade mark, the Registrar may require the applicant to give to the Registrar:

- (c) a description, or further description, of the trade mark; and
- (d) a specimen of the trade mark.<sup>13</sup>

The application form to register a trade mark (TM/00/001) produced by the Trade Marks Office indicates that a clear description of a sign (in the form of diagrams and/or writing) consisting of a shape, colour, sound or scent will be an acceptable form of graphic representation. For instance, sound trade marks can be represented by a precise description of the sound. The application should include the graphic representation of the trade mark (for example, 'clip, clop, moo') and a precise and accurate description of the trade mark (for example, 'the trade mark consists of the sound of two steps taken by a cow on pavement, followed by the sound of a cow mooing').<sup>14</sup> If a trade mark consists of a tune or contains music, it can be represented by musical notation, perhaps supported by descriptions in musical or layperson's terms to any specific style and/or tempo of performance, instrumentation or vocalisation. Sound marks must also be recorded on cassettes and filed when an application to register such a mark is made.

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<sup>12</sup> Regulation 4.3(7).

<sup>13</sup> Regulation 4.3(8).

<sup>14</sup> Trade Marks Office Draft Manual of Practice and Procedure (December 1995), Part 21, para 5.3.

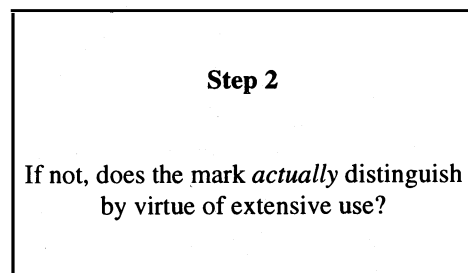
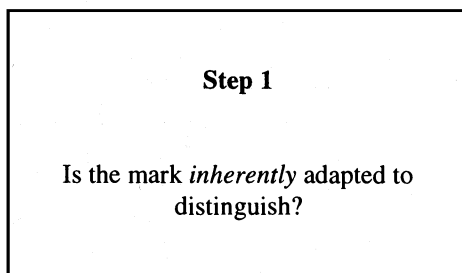
Scents can also be represented by a precise verbal description of the scent. The trade mark should be represented graphically (for example, a 'high impact fresh floral fragrance reminiscent of plumeria blossoms' — a fragrance emanating from the frangipani tree) and accurately described (the 'floral fragrance of the frangipani tree blossom as applied to embroidery yarn').<sup>15</sup> Such a mark was registered in the US case *In re Clarke*,<sup>16</sup> the first fragrance mark in history. The Australian Trade Marks Office has formed the view that the use of a verbal/written description is currently the only practical way of representing a scent that would actually convey a meaning to the ordinary person examining the Register for the purpose of comparison. Alternative ways, for example, using chromatography translated into graph form to represent a scent, would convey little or nothing to the ordinary person.<sup>17</sup> Nevertheless, it is clear that the current system may cause problems when it comes to accurately describing a scent and thus precisely defining the extent of the right once such marks have been registered.<sup>18</sup>

## B Capable of Distinguishing

The other vital overall requirement for registrability of a trade mark is that the sign to be registered must be 'capable of distinguishing' the goods or services of the applicant from those of other traders. A trade mark does not require novelty, inventiveness or originality. Nevertheless, the lesser requirement, the capability to distinguish, is clearly fundamental, for unless a trade mark distinguishes one person's goods or services from another's, it is simply not performing the function of a trade mark. In other words, it will not assist customers in differentiating between the goods or services offered by competing traders.

In dealing with this issue the Registrar is required by the Act to adopt a two step process.

### 1 Step 1 - Is the mark inherently adapted to distinguish?



<sup>15</sup> *Ibid* para 5.4

<sup>16</sup> 17 USPQ 2d 1238 (TTAB 1990).

<sup>17</sup> *Ibid* paras 5.4 – 5.5.

<sup>18</sup> Debrett Lyons, 'Sounds, Smells & Signs' [1994] 12 *European Intellectual Property Law Review* 540. See also Helen Burton, 'The UK Trade Marks Act 1994: An Invitation to an Olfactory Occasion' [1995] 8 *European Intellectual Property Law Review* 379.

First, the mark is examined to see if it is inherently adapted to distinguish. In other words, is the mark used in a way that is clearly unique or original when applied to the goods or services in question, so that the mark is obviously capable of performing the function of a trade mark? Some trade marks which are clearly inherently capable of distinguishing one trader's goods or services from others would include non-descriptive words, invented words and distinctive logos and devices.

The 'new' forms of trade mark, although perhaps not quite so obviously capable of distinguishing, will also often meet this requirement.

(a) *Shapes*

Prior to the introduction of the *Trade Marks Act 1995*, attempts to register the three-dimensional *shape* of goods commonly failed.<sup>19</sup> For example, registration for the round shape of the Lifesaver sweet was refused in Australia.<sup>20</sup> The House of Lords in England refused to allow the Coca-Cola Company to register the shape of the well-known 'Coke' bottle.<sup>21</sup> The basic reason for refusing registration in these cases was based on the view that a trade mark must be separate and distinct from the product itself, in the sense that it is something added to a product to distinguish it from competitive products. In other words, the shape of the goods themselves could not be registered. Furthermore, the registration of shapes was generally considered to be an attempt to extend the limited life of a design registration into a perpetual monopoly.

Views such as these were recently revisited in the first judicial consideration of the 1995 *Trade Marks Act* provisions dealing with the registration of 'shape' marks. In *Koninklijke Philips Electronics N V v Remington Products Australia Pty Ltd*,<sup>22</sup> Burchett J, with whom the other judges of the Full Federal Court agreed, concluded that the inclusion of the word 'shape' in the definition of 'sign' has not effected a radical change in Australian trade mark law. At the same time Burchett J recognised that the shape of goods, or part of them, can function as a trade mark, that is, as a badge of origin, in some circumstances. These circumstances do not exist, however, when the shapes possessed by goods are due to 'their nature' or where the goods must have a certain shape 'if a particular technical result is to be obtained'. Burchett J said:

It does not follow that a shape can never be registered as a trade mark if it is the shape of the whole or a part of the relevant goods, so long as the goods

<sup>19</sup> Applicants were confined to registering a two-dimensional representation of a shape, provided the representation was being used 'as a trade mark'.

<sup>20</sup> *Lifesavers (Australia) Ltd's Application* (1952) 22 AOJP 3106. Nestlé has recently another application to register relying on s 41(6) of the *Trade Marks Act 1995*: Trade Mark 701578. The application is being opposed.

<sup>21</sup> *Re Coca-Cola's Application* [1986] RPC 421. For an article on the registrability of shapes, that has some application to Australia, see: Benoit Strowel, 'Benelux: A Guide to the Validity of Three-dimension Trade Marks in Europe' [1995] 3 *European Intellectual Property Law Review* 154.

<sup>22</sup> (2000) 48 IPR 257

remain distinct from the mark. Some special shape of a container for a liquid may...be used as a trade mark, just as the shape of a medallion attached to goods might be so used. A shape may be applied ... in relation to goods, perhaps by moulding or impressing, so that it becomes a feature of their shape, though it may be irrelevant to their function. Just as a special word may be coined, a special shape may be created as a badge of origin ... The special cases where a shape of the goods may be a mark are cases ... where the shape that is a mark is 'extra', added to the inherent form of the *particular* goods as something distinct which can denote origin. The goods can still be seen as having ... 'an existence independently of the mark' which is imposed upon them.

The conclusion of this discussion is not that the addition of the word 'shape' to the statutory definition calls for some new principle, or that a 'shape' mark is somehow different in nature from other marks, but that a mark remains something 'extra' added to distinguish the products of one trader from those of another, a function which plainly cannot be performed by a mark consisting of either a word or a shape other traders may legitimately wish to use.<sup>23</sup>

The issue of whether competitors, in the ordinary course of their business, may legitimately wish to manufacture goods of the same kind in the same (or a very similar) shape as that applied for, was recently considered by the Acting Registrar of the Trade Marks Office. He suggested examining the following criteria, namely, whether:

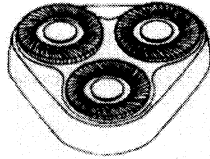
- it is an ordinary or commonplace shape for the goods in question;
- it is a minor variation of an ordinary or commonplace shape for the goods in question;
- it is a shape essential to the use or purpose of the article;
- it is the shape needed to achieve a technical result;
- it is a shape which has an engineering advantage, resulting in superior performance;
- the shape results from a comparatively simple, cheap method of manufacture;
- the shape facilitates the manufacture, distribution or storage of the goods.

In any of these circumstances, which are related to the functionality of the shape, the granting of an exclusive right in the shape would be likely to put competitors at a commercial disadvantage and hinder competition. The shape itself must be seen as lacking inherent adaptation to distinguish the applicant's goods and the extent to which that is so will depend on the degree to which each of the statements apply.<sup>24</sup>

<sup>23</sup> Ibid 268.

<sup>24</sup> Margaret Arblaster, 'Shape as a Trade Mark' (Paper presented at the 13<sup>th</sup> Annual Conference, Intellectual Property Society of Australia and New Zealand, August, 1999); cited in *Re Robin Noel Adcock* [2000] ATMO 11, 15.

If a shape is not to any extent capable of distinguishing one trader's product from another's, then prima facie it is not registrable. This will be the case when the shape of a product is purely functional. A shape can be regarded as functional when it is governed by the way the product works. A good example is the shape that was in dispute in *Koninklijke Philips Electronics N V v Remington Products Australia Pty Ltd*. Philips marketed the very successful 'Philishave' electric shaver, which featured three rotary 'heads' uniquely configured as an equilateral triangle. The shape and look of the shaver had been registered in Australia as a design in 1989 (since expired). Some drawings of the shaver had previously been registered under the 1955 Act, which remained registered under the new Act, and a three-dimensional design was submitted for registration as a trade mark following the introduction of the *Trade Marks Act 1995*, as follows:



Remington brought out a model mimicking the Philips shaver, without copying it exactly:



Philips claimed, inter alia, trade mark infringement.

At first instance Lehane J in the Federal Court<sup>25</sup> held that there was no infringement because Remington was not using the shape 'as a trade mark', that is, to distinguish its product in the marketplace. Rather, Remington was simply using its 'look-a-

<sup>25</sup> (1999) IPR 551 (FCA). See a full discussion of the case and the broader issue of registering functional shapes in Megan Richardson, 'Australian Intellectual Property Law: The Form/Function Dilemma – A Case Study of the Boundaries of Trade Mark and Design Law' [2000] *European Intellectual Property Law Review* 314.



like' shape as a useful design to facilitate faster and closer shaving. The Full Federal Court recently upheld this decision.<sup>26</sup> Burchett J, who delivered the judgment of the Court, agreed with Lehane J that Remington, by merely producing and dealing in goods having a similar shape to the Philips shaver, being a functional shape, of something depicted as a trade mark, was not 'using' the mark as a trade mark. According to Burchett J:

Even if such a mark achieves registration, that does not make the manufacture and sale of similar artefacts into a use of the mark as a trade mark...<sup>27</sup>

The important issue of whether the shape-and-look of the Philips shaver, or part of it, was registrable as a trade mark did not need to be determined by the Federal Court, and was left with the Registrar to determine at a future date. It should be noted, however, that in an English case dealing with the same subject matter, the Philips mark was held to have been registered invalidly on the basis that the mark was indicative of function rather than origin. The mark could not perform the essential function of a trade mark as it amounted to an engineering design and nothing more. Furthermore, the shape had never been used by Philips as the sole means of identification of trade source, as its shaver was always marked 'Philishave'. The shape was described as a 'limping trade mark', needing the crutch of 'Philishave' in use.<sup>28</sup>

If the Registrar in Australia also refuses to register the Philips 'shape' mark on the grounds that it is not inherently adapted to distinguish, due to its functionality, the issue for the Registrar will then be to determine if the mark *factually* distinguishes Philips' shavers from those of other traders, pursuant to s 41(6): as discussed later in this article under Step 2.

Similar issues were recently addressed by the Registrar in *Re Robin Noel Adcock*,<sup>29</sup> where the applicant sought to register the shape of its plastic interlocking traffic barriers. It was claimed that the continuous wall attribute of the applicant's barriers stamped them as his, and thus was capable of distinguishing his barriers from the shapes used by other producers of barriers. The Registrar of Trade Marks concluded that the shape of the applicant's traffic barrier was entirely functional and not at all unusual to the eye. As was the case with Philips' 'shape' mark, the only means of obtaining registration lay in convincing the Registrar that the 'shape' of the traffic barrier had become *factually* distinctive, relying upon s 41(6). This the applicant was unable to do, as explained later in this article.

Another form of functionality occurs when products are designed for visual appeal, by adopting contemporary styles and current trends and fashions. Where an aspect of shape is designed to capture market appeal, that shape is regarded as functional, for example, when a chocolate manufacturer produces chocolates in novelty shapes

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<sup>26</sup> (2000) 48 IPR 257.

<sup>27</sup> (2000) 48 IPR 257, 266.

<sup>28</sup> See *Philips Electronics N V v Remington Consumer Products* [1998] RPC 283; approved on appeal by Court of Appeal, May 5, 1999. See also Justin Watts, 'Trade Marks for the Shape of Goods' [1998] *European Intellectual Property Law Review* 147.

<sup>29</sup> [2000] ATMO 11.

such as sea shells: see *Re Chocolaterie Guylian N V*,<sup>30</sup> or where the shape of a cylindrical grooved glass jar designed to contain sauces is promoted as a reusable and attractive kitchen storage container: see *Effem Foods Pty Ltd*.<sup>31</sup> If a sign is one which other traders would normally expect to be freely available and which, for the sake of fair competition they should be at liberty to use, the sign will not be registered. In contrast, if the sign is arbitrarily determined or fanciful, it is likely to be registered.<sup>32</sup> A commentator noted:

Experience suggests that the registrability of the shape mark depends on being able to persuade the Trade Marks Office that the particular shape is not one that other traders may wish to use without improper motive, or that it has no essential element of functionality or shape which would allow a particular technical effect.<sup>33</sup>

The case law referred to above, along with the decisions reached by the Trade Marks Office, would suggest that it will usually be easier to protect the shape of containers and packaging than the shape of the goods themselves. Nevertheless, it is now clearly recognised that the shape of goods themselves, or part of them, can be registered as trade marks, as long as the shape serves primarily to identify a product and to distinguish it from competing products.

Consequently, many shapes have now been registered, or are the subject of trade mark applications, in Australia. 'Shape' marks have proven to be the most popular type of 'new' mark, with over 800 applied for since 1 January 1996. Of these applications, approximately 140 have been registered, with around 300 still pending. The great majority of registrations have been accepted on the basis that they are 'inherently adapted to distinguish'. The marks involved have primarily been made up of distinctively shaped containers and bottles for products including drink, jam and perfume and shapes applied to confectionery, biscuits, ice creams and cereals, for example, the bear shape used by Arnotts for its Teddy Bear brand biscuits. Other shapes registered include such well-known images as the Porsche sports car (for a range of goods and services) and a number of characters created and owned by Time Warner such as Bugs Bunny and Daffy Duck (in connection with retail services).

Shapes that have a *low* inherent capacity to distinguish will only be registered on the basis of further evidence or information which establishes that the mark is actually capable of distinguishing, relying on s 41(5); whilst shapes with *no* inherent capability of distinguishing can only be registered upon proof of factual distinctiveness, relying on s 41(6). These forms of registration are discussed later in this article.

<sup>30</sup> [1999] ATMO 28.

<sup>31</sup> [2000] ATMO 36.

<sup>32</sup> *In re Minnesota Mining & Mfg Co* 335 F2d 836, 840 (CCPA 1964). See also Deborah J Krieger, 'Aesthetic Functionality' (1982) 51 *Fordham Law Review* 345.

<sup>33</sup> Louis C Gebhardt, 'Three Dimensional (Shape) Trade Marks' *Watermark Journal* April-July, 2000.

(b) *Colours*

Provided the colour (or colours) applied to or used in connection with goods or services is (or are) capable of distinguishing the goods or services of a particular trader from others, registration of a colour as a trade mark is possible. Nevertheless, it will invariably be no easy task to register a colour as a trade mark, as such marks commonly have a low level of inherent adaptation to distinguish. This no doubt explains why only around 350 applications to register colours have been made since 1 January 1996. Of these, just over 30 have been registered, with approximately 170 still pending.

Although the *Trade Marks Act* makes no differentiation, registering the colour of the product itself will usually be a more difficult task than registering the colour of a component of the product, such as a logo or device (for example, a 'white' star) or the packaging (for example, a 'black' bottle). This explains why the great majority of colour registrations fall into this latter category.

Most traders colour their products in order to make them more attractive to customers. In some cases it will clearly be inappropriate to register a colour as a trade mark, as the colour may be descriptive or functional. For example, it would be wrong to allow the Coca-Cola Company to register the colour 'reddish-brown' for its cola beverages, since cola is naturally this colour due to the effect of caramel in the ingredients mix. The public has become accustomed to this appearance, so a cola drink of a different colour might be difficult to sell. The colour of the drink is therefore functional and entirely unsuitable as a trade mark.<sup>34</sup>

Another problem with registering primary colours as trade marks is that the entire colour spectrum might be swallowed up by traders, making it difficult for other competitors trying to enter the marketplace. In contrast to word marks, the number of possible choices for colour marks is limited.<sup>35</sup> It must be remembered that once a colour trade mark is registered, protection extends to confusingly similar shades, so that many shades will be encompassed within one mark. Distinctive shades are therefore not infinite and the colours available for use could become exhausted and monopolised.

For these reasons, it is very difficult to register colours, especially single colours, on the basis that the colours are 'capable of distinguishing' one traders goods or services from others. Registrations that have been successful on this basis are often combined with a shape mark, or involve a large number of colours combined together. Where the combination of colours sought to be registered by the applicant involves a significant number of colours, the possibility of registering the mark exponentially increases, especially if the colours are presented or arranged in an unusual or eye-catching fashion.<sup>36</sup> An example of such a registration is that made by the Formula-One racing driver Jacques Villeneuve for the colours GREEN,

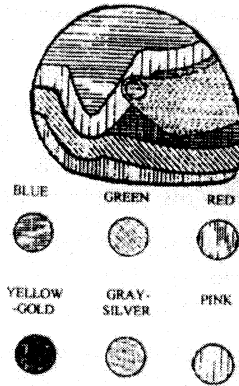
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<sup>34</sup> *Coca-Cola Co v Dixi-Cola Laboratories* 155 F 2d 59, 65 (C A 4 1946).

<sup>35</sup> Observation of Mr Don Nancarrow, Acting Hearing Officer in *Re Notetry Limited* [1999] ATMO 24, 26.

<sup>36</sup> *Smith Kline & French Laboratories v Sterling-Winthrop Group* [1976] RPC 511 (H L).

BLUE, RED, GRAY-SILVER, YELLOW-GOLD and PINK in the shape of a helmet (see below).<sup>37</sup>



(c) Sounds

There is an intrinsic problem with registering a sound as a trade mark, in addition to the problem of sufficiently clearly and precisely describing it for the purpose of registration. Establishing that a sound is 'capable of distinguishing' one product from another and entitled to registration will always be a difficult requirement to meet. Even if registration is obtained, proving that a similar, but not identical, sound infringes the mark will often present a significant obstacle. It is thus not surprising that applications to register sounds since the introduction of the new *Trade Marks Act* in 1995 have been few and far between. In fact only three 'sound' marks have been registered during this time. The first sound mark registered in Australia was 'SPROING', an electronic sound used in a radio commercial for a rubber underlay floor covering.<sup>38</sup> Another sound mark which has been registered, by McCain Foods, is the short high-pitched 'ping' sound between the words 'Ah McCain' and 'You've Done It Again' (used in advertisements for prepared foods).<sup>39</sup> Fourteen other sound marks have been applied for but are still pending, including an application by Telstra<sup>40</sup> to register the sound 'PIP PIP PIP PIP' produced in uniform tone in quick succession for telephone services, and an application by JB Hi Fi<sup>41</sup> to register 'the sound of a pane of glass being smashed by a projectile' for retail services.<sup>42</sup>

<sup>37</sup> Trade Marks 701822, 701823 and 773707.

<sup>38</sup> Granted to Pacific Dunlop Ltd. The trade mark is described as 'the sound of the word "sproing" pronounced such that there is initially a rise in pitch at the "oi" sound, which is then substantially elongated and pronounced with vibrato on the "oing" portion of the word, so as to imitate the sound of a spring reverberating on metal': Trade Mark 738848.

<sup>39</sup> Trade Mark 759707.

<sup>40</sup> Trade Mark 775271.

<sup>41</sup> Trade Mark 791226.

<sup>42</sup> It is likely that these sounds could only be registered on the basis of a low level of inherent distinctiveness plus actual use, relying on s 41(5); or establishing *factual* distinctiveness through extensive use, relying on s 41(6).

(d) *Scents*

Whilst a scent is usually an ornamental or functional feature of a product and therefore not distinctive, a scent will sometimes be capable of distinguishing one trader's product from others. Whilst distinctive smells associated with particular items, such as beer and roses, could obviously never be registered by traders selling beer and roses respectively (being inherent to the goods), such smells are capable of distinguishing completely unrelated products. Thus, 'the smell of beer applied to flights for darts' has been accepted in principle for registration in Australia,<sup>43</sup> as has the 'floral fragrance/smell reminiscent of roses as applied to tyres' in the United Kingdom.

In order for a scent to function as a trade mark, that is, to distinguish one trader's product from others, the scent must:

be disclosed to the customer in the course of trade, that is, prior to purchase; enable the customer to recognise the source of the product, and enable the customer to accurately identify the source of the scent.<sup>44</sup>

In most instances where there is access to scent in the course of trade (usually at the point of sale) it is likely that customers would only use their sense of smell to decide on a preference, rather than to locate the source of the product. The difficulty in registering a scent as a trade mark is therefore obvious.

Furthermore, the primary function of some products, such as perfumes and air fresheners,<sup>45</sup> is to give off a scent, so the scent itself would therefore not be inherently adapted to distinguish the goods to which it was applied. If the scent of a perfume was applied to other products, however, whose primary function is *not* to exude a scent, such as lipstick or shampoo, it might then operate as an indication of source.<sup>46</sup> This is not the case, however, where products make use of non-functional scents, in the sense that they are designed to make the product more pleasant or attractive to use, rather than to distinguish the product from other similar products. For example, the lemon fragrance of a dishwashing liquid is unlikely to be seen as an indication of origin, as the use of such 'clean' and 'fresh' fragrances is common to the trade.<sup>47</sup>

Only five scent applications have been lodged with the Trade Marks Office since 1 January 1996, and none have yet proceeded to registration. The paucity of applications to register such marks is probably due to the recognition that registration will only be successful in cases where the scent is uncommon in the

<sup>43</sup> Although the application was withdrawn prior to registration: Trade Mark 700019.

<sup>44</sup> See Bettina Elias, 'Do Scents Signify Source? — An Argument Against Trademark Protection for Fragrances' (1992) 82 *Trademark Reporter* 475.

<sup>45</sup> As in *Reckit & Colman (Overseas) Ltd v S C Johnson & Son Inc* [1996] ATMO 38.

<sup>46</sup> Helen Burton, 'The UK Trade Marks Act 1994: An Invitation to an Olfactory Occasion?' [1995] 8 *European Intellectual Property Law Review* 378, 379. See pending applications to register a coffee fragrance and a Midori Melon fragrance for sun-tan oils, shampoos, etc: Trade Marks 821444 and 823865.

<sup>47</sup> An application to register the scent of eucalyptus for a washing powder has therefore been withdrawn: Trade Mark 762286.

context of the product involved, or is particularly unique. This was the case in *In re Clarke*, where the fragrance of frangipani impregnated into yarn was packaged so that the smell of the scent was evident at the point of sale, and Clarke was the only manufacturer to add scent to yarn in the whole of the United States. This meant that Clarke's scented yarn was clearly distinguishable from other yarns.

## 2 Trade marks lacking the inherent adaptability to distinguish

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:

- the kind, quality, quantity, intended purpose, value, geographical origin or some other characteristic, of goods or services; or
- the time of production of goods or the rendering of services.<sup>48</sup>

The reasons for these restrictions on registration are reasonably obvious. Signs which are descriptive of the characteristics, purpose or virtues of goods or services are unsuitable for trade marks, as registration would prevent other traders from legitimately using common language or symbols in connection with their own goods or services. 'The more apt a word is to describe the goods of a manufacturer, the less apt it is to distinguish them.'<sup>49</sup>

The same reasoning can be applied to shape, colour, sound and scent marks. For example, a manufacturer of a mint-flavoured mouthwash should not be able to register the colour green (mint being naturally green and thus descriptive of the product) as competitors would have to use other inappropriate colours such as red or yellow for their mint-flavoured mouthwashes. For the same reasons, the applicant should not be allowed to register the mint smell of the mouthwash.

In practice, this means that the Registrar often will not consider a mark to be inherently adapted to distinguish goods or services from others to any extent and will reject the application.

Can marks which are *partially* adapted to distinguish be registered?

If the Registrar of Trade Marks concludes that a trade mark is *to some extent* inherently adapted to distinguish the designated goods or services from those of other traders, but is unable to decide with certainty that the mark is capable of so distinguishing, the Registrar must then take the following steps. The Registrar will consider, taking into account the combined effect of the following:

the extent to which the mark is inherently adapted to distinguish, the use or intended use of the mark, and any other circumstances, whether the mark is in fact capable of distinguishing the applicant's goods or services from those of other persons (s 41(5)). If so, the mark will be accepted for registration.

<sup>48</sup> Note 1, s 41(6).

<sup>49</sup> *Yorkshire Copper Works Ltd's Application* [1954] 71 RPC 150, 154.

This provision can be used to register any of the 'new' forms of trade mark, but is perhaps best illustrated by looking at some attempts to register 'colours' and 'shapes'.

(a) *Colours*

As already noted, colour marks invariably possess a low level of inherent adaptation to distinguish. This is certainly the case if the mark sought to be registered is a single colour, especially so if applied to the product itself. Nevertheless, in limited situations, single colours of this kind may be registered pursuant to s 41(5). For example, ACI has registered the colour PINK when applied to insulation batts.<sup>50</sup> However, this was an exceptional case. The 'pink batt' trade mark was considered to have some inherent adaptation to distinguish because the material from which insulating batts are fabricated is not naturally pink and the applicant was able to show that no other manufacturers coloured their insulating batts, and in particular, that no other manufacturers produced pink-coloured batts. Even so, a great deal of evidence of use by the applicant was required before registration was obtained, and the fact that the applicant had been the registered proprietor of the successful word mark PINK BATTES for some 13 years was a further factor in favour of registration.<sup>51</sup> Using a single colour in a distinctive or unusual way may also pave the way for registration, especially when it is only a component of the product involved. For instance, Eagle Boys Dial-A-Pizza have registered a (service) mark in Australia consisting of 'a pink glow created by a row of pink coloured lights extending along a fascia of a building' in which food and beverages are sold.<sup>52</sup>

Attempts to register a combination of colours, especially if few in number, can be just as difficult to register as single colours,<sup>53</sup> and reliance on s 41(5) will often need to be resorted to if registration is to be obtained. This was the case when St George Cabs successfully registered the colours RED and WHITE as applied to the surface of its taxis, although registration was limited to the State of New South Wales.<sup>54</sup> Such applications, however, invariably face an uphill battle to obtain registration, as illustrated by *Re Notetry Limited*.<sup>55</sup> In this case the applicant sought to register the colours YELLOW and SILVER for use on vacuum cleaners, but was refused. The Registrar observed that the use of two colours on vacuum cleaners sold in the marketplace was quite common, and that the two colours sought for registration, yellow and silver, were quite pleasing to the eye. According to the Registrar:

<sup>50</sup> Trade Mark 576188, since assigned to Owens Corning.

<sup>51</sup> Per Ms Coral Henry, Senior Examiner in *Re Multix Pty Ltd* [1999] ATMO 36, 39; and cf *In re Owens – Corning Fibreglass Corp* 774 F 2d 1116 (Fed Cir 1985). In the *Blue Paraffin* case (1977) RPC 493, the colour BLUE was successfully registered when applied to naturally colourless paraffin. The colour was considered as an added extra and out of the ordinary, and thus capable of indicating the trade origin of the goods.

<sup>52</sup> Trade Mark 585856.

<sup>53</sup> See *John Wyeth & Bro Ltd's Coloured Tablet Trade Mark* [1988] RPC 233; and *Unilever plc's Trade Mark* [1984] RPC 155.

<sup>54</sup> Trade Mark 718227.

<sup>55</sup> [1999] ATMO 24.

I can readily imagine another trader (being actuated only by proper motives) [thinking] of the colours and [wishing] to use them in colouring their similar goods.<sup>56</sup>

The Registrar therefore found that 'the level of inherent adaptability of these two colours to distinguish the applicant's goods from the goods of other traders is quite low.' The issue was then whether this partial inherent adaptability to distinguish in conjunction with the use made of the trade mark by the applicant (and any other relevant circumstances) did result in the colours distinguishing the applicant's goods. On the evidence presented the Registrar concluded that the average purchaser buying the applicant's vacuum cleaners would rely on the applicant's word mark DYSON and would not recognise the colours yellow and silver as a badge of origin.

Given that the word mark DYSON appears on the goods, I believe that it would take many years of substantial use, possibly with the need of assistance from an advertising campaign to target the colours in some way, before the general public became fully aware of the applicant's intentions in using those specific colours.<sup>57</sup>

(b) *Shapes*

Many shapes are functional in nature and therefore difficult to register as trade marks. Some shapes, however, may be partly governed by function but still possess a degree of inherent adaptability to distinguish. This is where s 41(5) comes in. Many shapes have been registered in Australia on this basis, including the well-known shape of the Coca-Cola 'contour' bottle. Obviously the shape of a bottle is to a large extent determined by function, but when the basic shape is embellished with a distinctive and eye-catching feature, especially if it is extensively used and recognised in the marketplace, registration of the shape as a trade mark can be achieved.<sup>58</sup> Some other 'icons' registered in Australia pursuant to s 41(5) include the shape of the Freddo Frog, the shape of Bic pens and the shape of Gibson guitars. More recently, Unilever successfully registered the appearance of its four-sided pyramid-shaped tea bags.

An actual example of a product shape that has been registered using s 41(5),<sup>59</sup> for Toblerone chocolate, is as follows:

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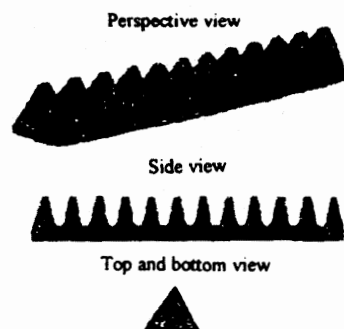
<sup>56</sup> [1999] ATMO 24, 26.

<sup>57</sup> [1999] ATMO 24, 27–28.

<sup>58</sup> Trade Mark 767355.

<sup>59</sup> Trade Mark 706789.





The packaging used for Toblerone, comprising a triangular box and a snow-capped mountain depicted on the box, has also been registered.<sup>60</sup>



### 3 Step 2 - Does the mark actually distinguish through extensive use?

If the Registrar reaches the conclusion that a 'sign' is not to any extent inherently adapted to distinguish, there is one final step that can be taken to obtain registration. If the applicant can establish that the trade mark through extensive use in Australia does in fact distinguish the designated goods or services as those of the applicant, it will be eligible for registration (s 41(6)). In other words, a trade mark that has no distinctiveness in its own right may still be registered if it achieves *factual* distinctiveness through use.<sup>61</sup>

Evidence of factual distinctiveness will need to be presented in a great many of the applications lodged to register shapes, colours, sounds and scents as trade marks. In practice, this can once again be best illustrated by reference to some 'colour' and 'shape' mark applications and registrations.

#### (a) Colours

The difficulty of registering a single primary colour as a trade mark has already been noted. In fact, the accepted practice in the Trade Marks Office is to regard a single colour, almost always, as being, *prima facie*, not inherently adapted to

<sup>60</sup> Trade Marks 706787 and 706788.

<sup>61</sup> See, for example, *Blount Inc v The Registrar of Trade Marks* (1998) 40 IPR 498 (the OREGON case) and *Re Estee Lauder Cosmetics Ltd* [2000] ATMO 46 (the BEAUTIFUL decision).

distinguish.<sup>62</sup> Nevertheless, extensive use of a particular colour to indicate the source of a product might lead to a colour being registered pursuant to s 41(6). An application to register will usually need to be supported by comprehensive survey evidence with a view to convincing the Trade Marks Office that a colour is almost universally recognised as *factually* distinguishing a particular person's goods or services from similar goods or services sold in the marketplace. On the basis of such criteria, namely the long history of use of the mark and the resultant reputation achieved in Australia, Veuve Clicquot has registered the colour ORANGE in Australia for use on labels attached to its bottles of champagne.<sup>63</sup> Yellow Cabs in Queensland has also successfully registered the colour ORANGE when applied to the body of a taxi-cab,<sup>64</sup> and Kraft has registered the colour SILVER as the predominant colour of packaging used in respect of its cream cheese.<sup>65</sup> In essence it is often the heavy use of a single corporate colour as a badge of origin that leads to registration in these types of cases. Pending applications made to register single colours in Australia include applications by Makita to register BLUE for electric power tools<sup>66</sup> and by BP Amoco to register the colour GREEN as used on the exterior surface of its service stations.<sup>67</sup>

The difficult task facing applicants seeking registration of single colour marks was recently highlighted in *Multix Pty Ltd*,<sup>68</sup> where the applicant applied for the trade mark consisting of the colour RED as the predominant colour on the packaging of its goods (Multix Alfoil). The Examiner not surprisingly found that the trade mark as represented had no inherent adaptation to distinguish the applicant's designated goods. It was found that:

Traders in all fields, as a matter of course, use colours on their packaging to make the packaging more attractive to consumers. Red has long been a colour which is used to draw attention, as shown by its use for letterboxes and for signs indicating danger. The colour red is commonly used by traders in many fields to attract attention to their goods. In this sense colour is a functional aspect of packaging and the colour red is particularly desirable for this purpose. It therefore seems to me highly likely that other traders in the aluminum foil market will think of the colour red and, without any improper motive, will wish to use this eye catching colour on their packaging and in doing so will be fulfilling a competitive desire to attract attention to their goods.<sup>69</sup>

This meant that the application had to be rejected unless the applicant, relying on s 41(6), could establish that because of the extent of its use of the trade mark before the filing date the trade mark did *in fact* distinguish the designated goods as being those of the applicant. The question in this case was whether the use of red

<sup>62</sup> Per Mr Ian Forno, Hearing Officer in *Re Veuve Clicquot Ponsardin, Maison Fondée En 1772* [1999] ATMO 29, 32.

<sup>63</sup> *Re Veuve Clicquot Ponsardin, Maison Fondée En 1772* [1999] ATMO 29.

<sup>64</sup> Trade Mark 711142 — Registration is limited to the State of Queensland.

<sup>65</sup> Trade Mark 710226.

<sup>66</sup> Trade Mark 808876.

<sup>67</sup> Trade Marks 559837 and 676547.

<sup>68</sup> [1999] ATMO 36

<sup>69</sup> [1999] ATMO 36, 40.

colouring on the applicant's packages, which also carry words that are obviously trade marks ('Multix Alfoil', and formerly 'Comalco Alfoil'), had resulted in the red colouring coming to denote the mark of the applicant. In support of such a finding, the applicant presented evidence that it had continuously used the colour red as the predominant feature of its packaging since 1973.

In response, the Examiner pointed out that *mere use, however substantial*, is not enough to prove factual distinctiveness. Other evidence must be presented to support such a conclusion. The applicant had conducted some quantitative research in 1997 which showed that just over 50% of the 461 consumers surveyed 'associated the brands Comalco and/or Multix with having a red pack' and that no other brand came near this level of association. It submitted that this level of product recognition was sufficient to show that the trade mark applied for did in fact distinguish the applicant's goods, thereby satisfying the requirements of s 41(6). The Examiner, however, was far from convinced. After questioning the currency and nature of the research, the Examiner concluded:

[I]f the red colouring on the pack was really serving as a badge of origin for the applicant I would have expected far in excess of 50% of aluminium foil product purchasers to associate a 'red pack' with the applicant or its predecessor in business. The results seem to emphasise the fact these trade marks did not at the filing date distinguish the applicants' goods. In spite of the amount of money spent on advertising (up to 2 million dollars a year) and the number of aluminium foil products sold each year (around 5 million items a year), the survey results say that nearly 50% of consumers did not associate the Multix brand or the Comalco brand with red packaging.<sup>70</sup>

The application was thus refused.

(b) *Shapes*

By way of further illustrating the application of s 41(6), consider the registration of shapes. As already noted, if the Trade Marks Office is not satisfied that a shape is capable of distinguishing an applicant's product from other products, it will not register it. This is usually because the shape consists wholly or principally of functional or utilitarian features or some other characteristic that the goods must have if a particular technical result is to be obtained. Under the former *Trade Marks Act 1955* such marks would have been rejected as totally lacking an inherent capacity to distinguish. Nowadays, relying on s 41(6) of the new Act, there is still a possibility that such marks can be registered.

It will be recalled that in *Re Robin Noel Adcock* the shape of the applicant's traffic barriers was regarded as entirely functional. The question was, therefore, did the particular shape distinguish, *in fact*, the applicant's goods at the time of filing? The applicant had registered the shape of the barrier as a design and argued that if the design remained in force for 16 years, and the barrier was manufactured continuously for that period, it was highly likely that the shape would become as

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<sup>70</sup> [1999] ATMO 36, 42.

distinctive as the shape of the 'Coke' bottle. The Registrar observed that what will happen 16 years from now, if various 'ifs' come to pass, is not to the point. The critical determinant is the factual situation at the filing date. As the applied for shape was not in extensive use at the filing date, the Registrar rejected the application.

It will also be recalled that in *Re Chocolaterie Guylian N V*, the application to register the shape of sea shells for chocolates was refused for similar reasons. Again, under s 41(6), even if a sign (such as a shape) is not 'adapted to distinguish', registration can still be obtained on the basis of the submission of evidence of use and reputation in the marketplace, provided the evidence establishes that the sign is functioning as a trade mark and not just as a marketing tool. According to one commentator:

[U]nfortunately, for reasons unknown, [Chocolaterie Guylian N V] did not submit such evidence.<sup>71</sup>

It is evidence such as this that has allowed the well-known three-dimensional semi-spherical shape of the Weber barbeque kettle to be registered as a trademark.<sup>72</sup> Registration in these situations, relying on s 41(6), does not confer a monopoly, rather it is merely recognising that a de facto monopoly already exists.<sup>73</sup> Demonstrating that such marks have become *factually* distinctive, as has been shown, will therefore never be easy.<sup>74</sup>

## IV SUMMARY

In order to register signs such as shapes, colours, sounds and scents as trade marks the following requirements must be satisfied:

- The signs must be used as, and function as, trade marks.

<sup>71</sup> Louis C Gebhardt, 'Three Dimensional (Shape) Trade Marks' *Watermark Journal* April-June, 2000. In contrast, the animal shape of the 'Freddo Frog' chocolate bar has been registered by MacRobertson on the basis of evidence of use and reputation in the marketplace pursuant to s 41(5): Trade Mark 706623.

<sup>72</sup> Trade Mark 703633.

<sup>73</sup> White Paper, para 2.18.

<sup>74</sup> See *Smith Kline & French Ltd's Cimetidine Trade Mark* [1991] RPC 17. The survey evidence presented to establish factual distinctiveness must be comprehensive and representative, with a view to establishing widespread recognition that the mark operates as an indicator of origin: *Re Dualit Ltd* (Unreported, High Court, Chancery Div., 5 July 1999); summarised in [2000] *European Intellectual Property Law Review* N4. See also Jason G Ellis, 'Industrial Design Protection after *Philips Electronics NV v Remington Consumer Products* - The Shape of Things To Come?' [1999] *Journal of Business Law* 167, 174: [I]t would appear that when considering registering a shape as a trade mark, a greater chance of success might be achieved if factual distinctiveness can be shown. This means that new items may have to be marketed aggressively for some months or years before an application is submitted. However, the concept of factual distinctiveness implies that the goods in question are immediately recognisable as emanating from a particular undertaking, the shape of a Coca-Cola bottle or Bic bios being good examples. This may require considerable empirical evidence.

- The signs must not be governed by the function or constitute inherent or natural characteristics of the goods or services to which they are applied, as other traders may legitimately wish to use the same, or similar, signs.
- The signs must be able to be represented graphically in such a way as to allow an ordinary member of the public inspecting the Trade Mark Register to obtain an accurate understanding of what the mark is.
- The application to register the signs will usually need to be supported by evidence that the public associate the signs exclusively with the applicant's goods or services.<sup>75</sup>

## V CONCLUSION

The more traditional forms of trade mark logically will always be the predominant form of trade mark used and registered in Australia. Ease of use, marketability and protectability will guarantee this. Nevertheless, the newer forms of trade mark certainly have a role to play in appropriate circumstances, and open up new opportunities for trade mark users. Registration and ownership of such marks clearly provide benefits to traders in comparison to relying upon the passing off action for protection (with the need to prove reputation, misrepresentation and damage).<sup>76</sup>

The grounds for registering shapes, colours, sounds and scents are still evolving, but a degree of certainty now exists, which should encourage traders to take advantage of the 'new' laws to maximise the protection of their intellectual property rights. One important lesson emerging from the case law is that much effort needs to be put into establishing shape, colour, sound and scent marks as recognisable indicators of origin in their own right. This can be done by utilising such signs in advertising and in promotional literature, or at the point of sale, where the signs are the main or only indicator of origin. With the increased certainty surrounding the registrability of shapes, colours, sounds and scents, now is the time for traders to review all aspects of the marketing of their products in order to determine what might possibly be registered as trade marks. As is often observed in the marketplace: 'nothing ventured, nothing gained'.<sup>77</sup>

<sup>75</sup> See the US Trademarks Office Draft Work Manual, making specific reference to 'smell' marks.

<sup>76</sup> The system of registering trade marks only grants a monopoly in a registered mark for use with regard to specific goods or services. This means that a registered mark often can be used by another trader with respect to different classes of goods or services. Some signs, however, particularly shapes, are less likely to be used by other traders in this way, which may result in a de facto monopoly: Ellis, above n 74, 167. See *The Coca-Cola Company v All-Fect Distributors Ltd* (2000) ATPR 41-735, where the Full Federal Court held that the shape of the 'contour' Coca-Cola bottle had been infringed by a distributor of a gelatinous flavoured confectionary shaped in the same way.

<sup>77</sup> C Benson, 'Trade Marks: nothing ventured, nothing gained' (1996) 44 *In-House Lawyer* (October) 35, 36.