

A dentist's pain - failure to consider proper trade mark principles *Agapitos v Habibi* [2014] WASC 47 (25 February 2014)

Intellectual Property Update

While it is rare for trade mark proceedings to be undertaken in state Supreme Courts, this case reinforces that this jurisdiction is available for that purpose.

The plaintiff claimed damages for trade mark infringement, misleading and deceptive conduct and passing off. The defendant denied the claims and counterclaimed for an order that the plaintiff's trade mark be cancelled. Not only did the Court entirely reject the plaintiff's claims, but also agreed with the counterclaim and cancelled the registration of the plaintiff's trade mark.

The plaintiff has operated a dental practice named "Dental Excellence" since 2002. In October 2010, the plaintiff applied to register the trade mark "Dental Excellence". Initially, the application was not accepted by the Trade Mark Examiner, but was subsequently accepted after the plaintiff provided evidence of use.

The defendant owns a dental practice named "South Perth Dental Excellence" (SPDE). The defendant purchased the practice in 2007, and in June 2010 changed its registered name to "South Perth Dental Excellence".

There was evidence before the Court of at least 10 other dental practices in Australia (aside from the plaintiff and defendant) who used "Dental Excellence" in their business name.

The primary issue of contention was the validity of the plaintiff's trademark.

The Court considered the grounds for cancellation of a trade mark under s 88 of the *Trade Marks Act 1995*, which enables a court to cancel the registration of a trade mark if the registration of the trade mark could have been opposed. Relevantly, s 41 provides that an application for registration must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services from the goods and services of others.

The defendant contended, and the Court agreed, that the words "Dental Excellence" are descriptive words which describe the kind and quality of the plaintiff's services.

Who does this affect?

- Trade mark applicants.
- Persons intending to defend a trade mark infringement action.

Article highlights

- It is important to select a trade mark that is inherently distinctive.
- Mere use of a name may not be enough on its own to establish validity of a trade mark.
- Carefully consider the validity of a trade mark prior to commencing infringement proceedings against another party.



The Court applied the well established test from *Clark Equipment CO v Registrar of Trade Marks* (1964) 111 CLR 511 to find that the trademark was not, to any extent, inherently adapted to distinguish the services of the plaintiff because other traders were likely, in the ordinary course of their business and without improper motive, to want to use the plaintiff's registered trade mark in connection with their own services.

His Honour noted that the *Clark Equipment* test ceased to be a hypothetical because of the evidence of numerous businesses using the name "Dental Excellence".

The Court then went on to decide, as required by s 41(6) of the *Trade Marks Act 1995*, that the plaintiff's trade mark was not capable of distinguishing his services from the services of others by applying the reasoning in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281, stating that:

"In the case of common or apt descriptive or laudatory words compelling evidence is needed to establish [whether a mark is distinguishable]. And in particular mere evidence of extensive use is unlikely to be enough on its own. Of course the power of advertising may be able to turn almost anything (save a pure description) into a trade mark, but it must be shown in a case of this sort that the mark has really become accepted by a substantial majority of persons as a trade mark - is or is almost a household word."

The Court held that the plaintiff's use of the trade mark (on signage, advertising and promotional materials) was not so extensive to give rise to an inference that the trade mark became distinctive of the services provided by the plaintiff.

His Honour ordered that the register be rectified by cancelling the registration of the plaintiff's trade mark.

The decision is relevant to trade mark applicants who may have concerns regarding the validity their proposed or registered trade mark, and to persons intending to defend a trade mark infringement action.

The decision is unsurprising, but serves as a reminder of the importance of selecting and registering a trade mark that is inherently distinctive and carefully considering the validity of a trade mark prior to commencing proceedings against another party for infringement. The decision highlights that, particularly in circumstances where a mark is descriptive of the relevant goods and services, mere evidence of extensive use of a mark is unlikely to be enough on its own.

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