

# THE MULTICULTURAL TRADE MARK: THE REGISTRATION IN AUSTRALIA OF TRADE MARKS WITH FOREIGN LANGUAGE ELEMENTS

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## I. INTRODUCTION

This paper considers the scope for registration as trade marks of signs that include or constitute words or characters of foreign language origin, and particularly words or characters of non-Roman languages, such as Chinese or Arabic.<sup>1</sup> It argues that there are challenges in establishing comprehensive benchmarks for the registrability of such signs as trade marks, which are not adequately addressed by a conventional or conservative judicial and administrative approach of applying literal translations and transliterations of the foreign marks into an English language context.

The growing internationalisation of trade and the consequent import into the domestic market of merchants and their goods and services of foreign origin together raise a number of unanticipated legal and linguistic issues in respect of the registrability of their trade marks in the local jurisdiction. In this new global marketplace, traditional notions of geography, language and origin of goods will need to evolve and harmonise. The explosion of global trade and commerce in the digital environment, transcending national boundaries, contradicts the traditional concept of a trade mark which is based in large part on a conventional assumption that a mark has meaning essentially within geographical and local-language contexts.

In considering the full acceptance and transfer of foreign language marks into a domestic jurisdiction, the question arises as to the essential elements of the mark to which attention should be given by the Australian Trade Mark Office (ATMO) and the courts, and the respective weight of those elements, namely:

- the visual appearance of the word, sign or character;
- its meaning in the original context;
- the meaning when the letters or character elements are transliterated from the original non-Roman language form into English (notwithstanding that there may not be a direct transliteration);
- the meaning in English translation, (notwithstanding that there may not be a convenient and direct translation meaning);
- the sound or aural characteristic of the word, sign or character; or
- a combination of all of the above.

There is also the issue of pronunciation, particularly with tonal and dialectical languages such as Chinese, and the proper transliteration of meanings into a non-tonal language such as English.

A number of recent judicial and Australian Trade Mark Office (ATMO) determinations illustrate the linguistic and legal issues that can, and do, arise in respect of the registrability of these foreign language marks, and particularly marks that are derived from non-Roman languages. Challenges may also arise not only in respect of the distinctiveness requirements of s 41 and s 43 of the *Trade Marks Act 1995* (TMA), but also in respect of the potential for infringement based on all or some of the visual elements, the aural or phonetic elements, and the general meanings of the mark in question. Furthermore, words

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<sup>1</sup> The *Trade Marks Act 1995* (Cth) s 6(1) defines a 'sign' as including 'any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent.' 'Word' includes an abbreviation of a word.

in any foreign language which may sound or appear within normal societal bounds in their original form, may take on an entirely different complexion and phonetic meaning when they appear in a purely English language context, to the extent that they may not then be registrable as marks.<sup>2</sup>

## I. THE ATMO POSITION

The position of the ATMO in respect of marks comprised in part or whole of foreign language words, letters or characters is that such marks are subject to the same principles that apply to English words. Hence, foreign language marks may be registrable if the words, letters or characters would not be understood as to their original meaning by a significant proportion of the general population.<sup>3</sup> By the same token, an application for registration of a mark that consists of foreign letters and characters which are translations of English words may be rejected, or at least offer grounds for opposition, on the grounds that the mark is not capable of distinguishing pursuant to s 41 of the TMA.<sup>4</sup> An area of uncertainty in this regard is whether the 'general population' encompasses the Australian population as a whole, or is limited to the population that may understand the meaning of the mark, or the population that may constitute the potential market to utilise the goods or services which the marks in question are meant to distinguish.

Where a trade mark application includes words in a language other than English, the ATMO may require the applicant to file an English translation in support of the application if requested to do so by the Registrar.<sup>5</sup> However, if a trade mark includes characters constituting words or characters that are not Roman letters, the applicant must provide a transliteration of the characters into Roman letters (if any) and a translation of the words into English.<sup>6</sup>

Words consisting of obvious phonetic equivalents, simple combinations, misspellings, minor changes or trifling variations of descriptive words are not *prima facie* capable of distinguishing.<sup>7</sup> However, foreign phonetic equivalents of English words (and vice versa) may still be considered to have sufficient inherent capability of distinguishing.<sup>8</sup> And words which constitute or include some element of unusual grammatical construction, whether by way of creative or different form of composition, construction or other presentation, including inversions, word-plays and words telescoped together, may be registrable.

Marks using words derived from foreign language sources that are likely to be well known or familiar across a broad spectrum of the general community, and contain words which, if in English, would not be sufficiently capable of distinguishing, would not meet the distinctiveness requirement in respect of the applicant's goods or services.<sup>9</sup> However, such marks may have a strong likelihood of being registrable in Australia, following UK law, if the foreign language elements within the mark are derived from more than one language source.<sup>10</sup> It follows, then, that marks derived from words in a language that is not likely to be well known in a broad spectrum of the general community are likely to possess the capacity to distinguish and thereby to be registrable.

The ATMO approach is not all that dissimilar to a legal analytical tool for foreign language terms doctrine which the US courts and the US Patents and Trademarks Office have developed to handle foreign language trade mark interpretation, namely, the 'doctrine

2 As illustrated by the trade mark registration application by Kunststretware below.

3 IP Australia, *Trade Marks Office Manual of Practice and Procedure*, pt 22 [11].

4 *Ibid* pt 22 [11.1].

5 *Ibid* pt 10 [4.3(5)].

6 *Ibid* pt 10 [4.3(6)].

7 *Ibid* pt 22 [10].

8 *Ibid* pt 22 [4.1].

9 *Ibid* pt 22 [11].

10 See, eg, *Smitsvonk NV's Appn* [1955] 72 RPC 117; *Goodyear Tire & Rubber Coy's Appn* [1957] RPC 173 and *Wacker-Chemie GmbH's Appn* [1957] RPC 278.

of foreign equivalents'.<sup>11</sup> Under this doctrine, a foreign language term used as a mark is translated into its closest English equivalent prior to the courts or the USPTO determining whether the term meets the distinctiveness requirements for registrability as a mark or a component of a mark. One outcome of the application of this doctrine is that a foreign language term that is merely descriptive or generic in its original context would be deemed to be no more than equally descriptive or generic in the United States context. Accordingly, the foreign language term would not have any greater likelihood of registrability because of its foreign language characteristic unless it could demonstrate that it had acquired some form of distinctiveness or secondary meaning.

The ATMO provides an illustration of the application of its approach to foreign language words used as marks, drawn from UK and Irish examples. In its procedures manual, it notes that, in an early United Kingdom case, the word '*Oomoo*', subject of an application for wines and spirits, was held to designate 'choice' in an Australian Aboriginal language.<sup>12</sup> Nevertheless, when the case came before the court, Chitty J was of the opinion that the trade mark signified nothing to the ordinary Englishman.<sup>13</sup> Similarly, in a much later Irish case concerning '*Kiku*', the Japanese word for chrysanthemum, the mark 'KIKU' was found to be registrable in Ireland for perfumes and cosmetic preparations as the ordinary person would not know its meaning unless it was translated from the Japanese.<sup>14</sup>

Hence, the ATMO places strong emphasis on the translation and transliteration where necessary in the examination of foreign language words or characters as marks. In essence, it applies an English-language benchmark to the meaning of the foreign mark, word or character, even in circumstances where such a benchmark may not be necessary or appropriate, it is suggested.

The application of this benchmarking, along with a pressing imperative for greater standards of scrutiny in respect of foreign language-derived marks, is revealed in the application by a foreign company, *Aceto Balsamico*, for protection in Australia of its trade mark 'Squizito' and device by way of an International Registration designating Australia (IRDA).<sup>15</sup> The application and the opposition it encountered, also reveals that foreign-registered trade marks may encounter problems gaining registration of their marks in their original format in the local market.

In a hearing before a Delegate of the Registrar of Trade Marks<sup>16</sup>, the IRDA application was opposed by a local company (*P & T Basile Imports*) pursuant to s 44 of the TMA on the grounds that the application was deceptively similar to the registered mark comprising 'Squisito' and 'Orecchiette', and that the registered mark carried an earlier priority date.<sup>17</sup> Revocation of the IRDA application was also sought under s 38 of the TMA on the grounds of perceived shortcomings of the examination process in respect of the full investigation of the significance of the foreign words constituting the two marks. The opponent postulated that this earlier registration and the particular foreign language characteristics of its mark appeared not to have been considered by the examiner.

The essential feature of the two marks was the use of the word 'Squizito' for the IRDA application and the word 'squisito' in respect of the opponent's registered trade mark. Both words have essentially the same meaning, namely 'delicious' or 'exquisite' in Italian, with one being a mere spelling variant of the other. In addition, both terms are essentially

11 For a discussion on the US doctrine of foreign equivalents, see Peter Kang and Brian Mitchell, 'Foreign Language Trademarks under US Trademark Law' (2000) 3(3) *Journal of World Intellectual Property* 373-81.

12 See IP Australia, above n 3, pt 22 [11].

13 '*Burgoyne's*' Trade Mark (1889) 6 RPC 227; TLR vol 5, 326.

14 '*Kiku*' Trade Mark [1978] FSR 246 (Supreme Court of Ireland). See IP Australia, above n 3, pt 22 [11].

15 Australian Trade Mark Office (ATMO), Re: International registration designating Australia (IRDA) (International Registration No. 913154) (30). SQUIZITO & DEVICE — in the name of Aceto Balsamico Del Duca di Adriano Grosoli Srl, ATMO, Application No. 1165188, priority date 11 October 2006.

16 ATMO, Decision Of A Delegate Of The Registrar Of Trade Marks With Reasons, Re: International Registration Designating Australia 1165188 (International Registration No. 913154) (30) — Squizito & Device — In The Name Of Aceto Balsamico Del Duca Di Adriano Grosoli Srl, [2008] ATMO 2 10 January 2008.

17 ATMO, Trade mark registration No. 714911 in the name of P & T Basile Imports Pty Ltd, in class 29 and class 30.

phonetically identical, or at worst very similar, and both words convey the sense of a similar European origin. Hence, the marks would have to be considered deceptively similar to the majority of the market for the goods in Australia.

Although the Delegate was satisfied that the two marks contained graphical elements that provided significant visual differences between them, notably because of different fonts, colours, individual dominant letters, and descriptive devices and elements, these visual differences did not overcome the otherwise strong visual and aural similarities in the predominant words ‘squisito’ and ‘squizito’, coupled with the idea that both marks would be seen and remembered as words of foreign origin.<sup>18</sup> Applying the misleadingly deceptive test laid down in the *Shell* case,<sup>19</sup> the Delegate concluded that opponent’s registered trade mark and the IRDA application mark were deceptively similar.

However, rather than proceed to determine the grounds of opposition to the registration of the IRDA application pursuant to s 44, the Delegate revoked acceptance application under the provisions of s 38 of the TMA and ordered that it be returned to an appropriate examination section for re-examination.<sup>20</sup> Central to the decision to revoke was the Delegate’s view that the examiner should have conducted an assessment as to any significance of any foreign language meanings of both of the marks, but that no assessment appeared to have been made.

### III SOME AUSTRALIAN DETERMINATIONS ON FOREIGN LANGUAGE MARKS

Australian courts appear to place a greater reliance on a combination of a greater number of factors in determining foreign language mark registrability including, but not limited to, the visual and aural characteristics of the foreign word, its graphical representation, its status as a real or invented word, and likely perceptions in the marketplace of the meanings of the mark. Hence, registrability of a foreign version of an ordinary English word will not amount to registration of the ordinary English word or of all foreign equivalents of it. Nor will an established reputation or understanding in a foreign language version of an ordinary English word amount to gaining a reputation or an understanding for the ordinary English word or of all foreign equivalents of it.

In *Clinique Laboratories Inc v Luxury Skin Care Brands Pty Ltd*, the Federal Court considered an appeal by Clinique Laboratories from a decision of a delegate of the Registrar of Trade Marks (the Registrar) to allow registration of the mark ‘LA CLINICA’.<sup>21</sup> The appeal by Clinique Laboratories was brought pursuant to s 56 of the TMA, and relied on the deceptive similarity and identical marks provisions of s 44 and the well-known marks provisions of s 60 in respect of its well-known ‘CLINIQUE’ trade mark and its variants.

Central to the consideration of deceptive similarity was the degree of distinction between the marks and their respective foreign meanings — which at first glance would appear to be little more than notional. As discussed in the case, ‘clinique’ is a French noun meaning ‘clinic’ or adjective meaning ‘clinical’, whereas ‘clinica’ can be either a Spanish or an Italian noun, but also meaning ‘clinic’. Just because the marks may convey the same idea did not create a deceptive resemblance between them as such. Registration of marks including the word ‘clinique’ did not amount to registration of every derivation of the

<sup>18</sup> ATMO, above n 16, 20-21.

<sup>19</sup> *Shell Company (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, [1961] HCA 75; (1961) 109 CLR 407 at 415.

‘The marks are not now to be looked at side by side [as for substantial identity]. The issue is not abstract similarity, but deceptive similarity ... the comparison ... is between, on the one hand, the impression based on recollection of the plaintiff’s mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impression that such persons would get from the defendant’s [trademark].’

The Court added, at 416, that:

‘[The] deceptiveness that is contemplated must result from similarity; but the likelihood of deception must be judged not by the degree of similarity alone, but by the effect of that similarity in all the circumstances.’

<sup>20</sup> ATMO, above n 16, 37.

<sup>21</sup> *Clinique Laboratories Inc v Luxury Skin Care Brands Pty Ltd* (2003) 61 IPR 130.

English word 'clinic'. Hence, any such resemblance would not necessarily be the result of deceptive similarity between the marks but, rather, the association of ideas based upon the word 'clinic'.

Gyles J saw little visual similarity, considering that the ending of each word was distinct, and more importantly, 'clinica' was used in conjunction with 'la' as a composite phrase.<sup>22</sup> The layout and other features of the marks were also different; the only perceived similarity being between the first part of the words 'clinique' and 'clinica'. The look of the marks would not cause confusion even with imperfect memory.

Equally, His Honour opined that the sound of the respective words was also held as unlikely to cause confusion.<sup>23</sup> The presence of 'la' and the hard second 'c' in 'clinica' were quite different sounds from the 'ique' ending of 'clinique'. 'La clinica' would be perceived as an Italian or Spanish phrase whereas 'clinique' would be perceived as a French word.

In summary, even though the aural, visual and meaning differences between the two words would appear at first glance to be slight — in essence, a single final letter — the differences when considered in conjunction with the graphical representations and the likelihood of confusion being minimal, was sufficient to allow registration of the applicant mark.

A similar approach is revealed in the 'QUANTA' trade mark application.<sup>24</sup> The case further demonstrates that differences that would otherwise seem to be largely insignificant, when taken in conjunction with both aural and visual appearances can be sufficient to establish that the opposing marks are not deceptively similar.<sup>25</sup> *Quante AG*, owner of the registered trade mark 'QUANTE', opposed the application for registration of the mark 'QUANTA', pursuant to the provisions of s 44 of the TMA.

In contrast to the position taken in the 'Squisito' case, the Delegate found that, although the marks differed in their spelling only with respect to their final letters, that difference was a significant difference.<sup>26</sup> Again applying the 'standard test' on deceptive similarity as laid down in *Shell Company (Aust) Ltd v Esso Standard Oil (Aust) Ltd*<sup>27</sup>, the Delegate found that the trade marks were not substantially identical. The application mark was a word which would be recognised by those in the electronics industry as indicating 'bundles of energy'. It also had another well-known meaning of 'amounts' or 'quantities'. The opponent's registered mark was an invented word, and therefore had no apparent meaning.

The status of the core prefix of each mark also received some attention in examining the issue of deceptive similarity. While both enjoyed different suffixes, albeit comprising only one letter in each case, they shared the same prefix 'quan'. In determining if any significance existed in the identical prefixes, the Delegate noted with interest that there were a further fifteen other registrations to different traders in the class in question (class 9) with the prefix 'quan'.<sup>28</sup> This would seem to indicate that consumers would not necessarily assume that the two marks in question had a common origin. The question of whether or not the trade marks as wholes were sufficiently alike to cause deception and/or confusion needed to take into account the visual and aural impressions likely to be formed of each trade mark.

The visual impression of the applicant's mark was of an ordinary English word with a well known meaning/s. The visual impression of the registered trade mark was not just that of an invented word, but an invented word depicted in a fanciful way. The visual impressions created by each mark were sufficiently different for them to be distinguished by consumers. Similarly, in terms of the aural impressions, the Delegate noted that 'quanta', being a recognised word, would also have a dictionary recognised pronunciation.

22 Ibid, 134.

23 Ibid.

24 ATMO, Trade Mark Application No. 922942 for classes 9, 16, 35, 37, 38, 41 & 42, 13 August 2002.

25 ATMO, Decision Of A Delegate Of The Registrar Of Trade Marks With Reasons, Re: Opposition By Quante Ag To Registration Of Trade Mark Application 922942 'Quanta', 17 November 2004.

26 Ibid 5.

27 See above n 19.

28 ATMO, above n 25, 8.

‘Quante’, being an invented word, did not appear in the dictionary. Hence, the two words would not necessarily be pronounced in the same way and were therefore not aurally substantially identical. While both aural and visual differences were important factors in the Delegate’s determination, the fact that one mark was a foreign language word with recognised meaning while the other mark was an invented word without any recognised meaning was not without significance.

Taking into account the different meanings of the trade marks, their dissimilar appearance and sound and the likelihood that the goods would not be purchased in haste, the Delegate found that the trade marks were not deceptively similar and the applicant mark was cleared to proceed to registration.

However, in a case on arguably less familiar and comfortable ground, involving the use of Chinese characters, the courts appear to have adopted a much more conservative and critical position. In so doing, it has given little attention to the transliterated and translated meanings of the foreign language forms of the characters concerned. In *Australian Chinese Newspapers Pty Ltd v Melbourne Chinese Press*,<sup>29</sup> the Federal Court considered a claim by the applicant that the respondent had infringed both the applicant’s copyright and registered trade mark, being the mast head of the applicant’s Chinese-language daily newspaper, in the publication of its competing Chinese-language daily newspaper.<sup>30</sup> Both the applicant’s and the respondent’s mastheads, which formed the basis of the respective trade marks, were composed of four Chinese characters, three of which were identical. The applicant claimed that that the respondent’s logo was deceptively similar to its logo with respect to the distinctive combination of the characters used and a distinctive calligraphy style - *Li Shu* – that was used.

In arriving at its judgment restraining the respondent in continuing to use its masthead, the Court took account of the following factors:

- the logos were of similar size and colour;
- the only visually distinguishing feature was the third of the four Chinese characters;
- both logos owed their origins and historical to the *Li Shu* style of font;
- Chinese buyers tend to look at the impact of the image of the whole layout of the characters, and not character by character — thus the logos look similar; and
- the goods and services in respect of which the applicant’s mark is registered is the same as the respondents.

While this case has characteristics which must be considered very similar to the ‘Clinica’ and ‘Quanta’ cases, to the extent that the goods of the applicants and respondents in each case were within the same classes, and the words or characters had similar appearances, the courts took opposing positions. In the ‘Clinica’ and ‘Quanta’ cases the differences phonetically, visually and aurally were marginal. The courts also took stock of the English translated meanings of the contending marks in considering whether the marks were deceptively similar, and opined that the strong similarities were by virtue of mere association of ideas rather than deceptive similarity. When viewed in a local English language context, the few differences were of sufficient significance to allow registration of the application mark. The *Chinese Newspapers* case, on the other hand, was considered in the original foreign language context and the nature of possible deceptive similarity considered on that basis. Had the approach generally advocated by the ATMO and adopted in the ‘Clinica’ and ‘Quante’ cases been pursued by taking account of the English translated and transliterated meanings, the outcome might very well have been different,

<sup>29</sup> *Australian Chinese Newspapers Pty Ltd v Melbourne Chinese Press* (2003) 58 IPR 1; [2003] FCA 878 (Conti J). On appeal, the Full Federal Court affirmed the decision of the trial court. See *Melbourne Chinese Press Pty Ltd v Australian Chinese Newspapers Pty Ltd* (2004) 63 IPR 38; [2004] FCAFC 201 (10 August 2004).

<sup>30</sup> The English translations of the names of the two newspapers were the ‘Australian Chinese Daily’ (applicant) and ‘Daily Chinese Herald’ (respondent). In a purely English language context, only one word is common to both titles.

and the registration of the defendant's mark allowed. The third of the four Chinese characters was different by virtue of its appearance, sound, transliteration and translation.

Finally, the 'Budweiser' beer case demonstrates that disputes over ownership of trade marks and brand names of foreign origin can be protracted and extremely challenging to fully resolve.

Proceedings through the Australian courts have been brought by the Anheuser-Busch Corporation of the United States, brewers of the internationally known 'Budweiser' and 'Bud' beers (foremost amongst a number of other beer brands), against a small Czech beer producer, Budejovický Budvar over the use of the trade mark 'BUDWEISER' and its variations.<sup>31</sup> The Australian litigation is one of a number of proceedings around the world in which the applicant and the respondent have fought in various jurisdictions for nearly a century, with each side achieving only partial successes.

The proceedings before the Federal Court in 2002 were concerned with respondent's rights to legitimately sell its beer under the brand or label 'Budejovický Budvar' and variations thereof.<sup>32</sup> The applicant claimed that the labels used on bottles by the respondent infringed the applicant's trade marks. It alleged that the respondent's conduct contravened both sections of the TMA relating to deceptive similarity and s 52 of the *Trade Practices Act 1974*, and amounted to passing-off.

Allsop J held that neither 'Budejovický Budvar' nor either of the words alone was substantially identical to any of the applicant's marks, and therefore did not infringe them.<sup>33</sup> The syllable 'Bud' introduced each word, but it was the first syllable in two obviously foreign words, complete with diacritical elements, and did not retain a separate identity as the distinguishing or essential feature of the impugned mark. However, an abbreviation of the mark and composite marks to 'Bud' or 'Budweiser' in isolation, or 'Budweiser Budvar' would give the impression that they were being used to distinguish goods from those of the applicant. They were thus substantially identical with, or deceptively similar to, the applicant's trade mark 'Budweiser'. The respondent's use of similar forms of words on internal catalogues and invoices was trade mark use that infringed the applicant's marks. In particular, his Honour made various orders restraining the respondent from using the particular label 'Budweiser Budvar', even though it formed part of the respondent's name 'Budweiser Budvar, National Corporation'.<sup>34</sup>

In the sense that the judgment of Allsop J in the Budweiser case essentially laid down rules of local demarcation and form of usage as part of a broader ongoing litigious campaign, it does little to resolve the wider issues of the application of foreign language trade names, particularly when they come into conflict or are confronted by well-known names of originally foreign origin but which have, in essence, become 'Anglicised' by customary and common usage over an extended period of time.

While resolution of conflicting or deceptive similarities between words or signs from the same or similar language subgroups may be relatively easily resolved, another challenge arises where a foreign language word, purportedly registrable in its own jurisdiction, takes on an entirely different dimension and character in an English language context.

31 Anheuser-Busch has been brewing since the late nineteenth century, while Budejovický, the respondent, has been brewing for seven centuries. Both have been marketing their products under a number of different brand names in a large number of countries for over a century. Budejovický manufactures beer in a city called Budweis, in German, and ěeské Budijovice, in Czech. In German, the word 'Budweiser' is the adjectival form of the proper noun 'Budweis', meaning 'of or from Budweis'. In Czech, the word 'Budejovický' is the adjectival form of the proper noun 'Budijovice', meaning 'of or from Budijovice'. The respondent has various versions of its name – including 'Budweiser Budvar, National Corporation' and 'Budejovický Budvar, Národní Podnik'.

32 *Anheuser-Busch, Inc v Budejovický Budvar, Národní Podnik* (2002) 56 IPR 182.

33 *Ibid*, 215.

34 *Ibid*, 237.

#### IV. A COMPLICATION: VISUAL EFFECT VERSUS TRANSLATION

A recent application for registration before a Delegate of the Registrar of Trade Marks provides another dimension to the issue of registering a foreign language word as a trade mark. However, it is a dimension that may well arise with growing frequency as the degree of international commerce expands in volume and complexity due to the extension of the complex web of bilateral trade agreements and the progressive removal of barriers to trade. It also demonstrates an inherent difficulty with the comprehensive application of a foreign equivalent or similar to foreign words or words allegedly derived from foreign sources.

In *Re: Application by Kuntstreetwear Pty Ltd*, the applicant sought to register the mark 'KUNT' in class 25 clothing.<sup>35</sup> An ATMO examiner had earlier reported that the mark was the phonetic equivalent of an offensive word in English and therefore must be rejected in terms of s 42(a) of the TMA as constituting scandalous matter. The applicant asserted that a slight variation of the application mark, namely the word 'künt', carries an umlaut over the 'u', is a Dutch word meaning 'can do, to be able to, capable, to do, ability', and is pronounced 'koont'. Notwithstanding the fact that the applicant was using the mark with the umlaut on his products, he sought to retain the application in the form of 'kunt' in order to ensure wider ownership of the mark.

In the hearing before the Delegate of the Registrar,<sup>36</sup> the applicant submitted that the Registrar had allowed registration of such trade marks as 'FCUK',<sup>37</sup> and 'CNUT',<sup>38</sup> and such marks were commonly used without causing apparent offence. Further, the mark was also an uncommon European surname, the name of a European electrical manufacturer, and used by them as a trade mark.<sup>39</sup>

However, the applicant's mark clearly fell into a different category, as the Delegate observed. The trade mark 'FCUK' is an acronym not capable of pronunciation in the English language and without conventional meaning, while the word 'CNUT' is a forename of which the name 'CANUTE' is an Anglicisation.<sup>40</sup> Thus, these two trade marks, if they are to be seen as related to scandalous words, are suggestive of those words rather than being transparent copies. However, the applicant's mark very closely resembles or is identical to the phonetic equivalent of the obscene English 'c' word and would be likely to be immediately perceived as such.

The fact that the applicant was using the mark in a different form — that is, with an umlaut over the 'u' — in a shallow attempt to avoid association only served as both an admission and a reinforcement of this perception. The word without the umlaut has no apparent foreign language meaning, which it might otherwise enjoy with the umlaut in place. Most Australians would be not likely to be aware of any surname significance (as argued by the applicant) or of any possible meanings in a foreign language. Even if a small number of Australians might perceive the mark as a foreign language word, many more would see it only as being a transparent imitation of the 'c' word.

Perhaps in anticipation of the objections raised by the Delegate, the applicant canvassed the possibility of amending the mark to reflect its actual mode of use with the umlaut. In terms of s 65 of the TMA, any amendment to a trade mark is impermissible if it substantially alters the identity of the trade mark. The Delegate held that the addition of an

35 ATMO, *Re: Application by Kuntstreetwear Pty Ltd* (Application No. 999278), KUNT, in class 25, 18 June 2007.

36 ATMO, Decision Of A Delegate Of The Registrar Of Trade Marks With Reasons Re: Application By Kuntstreetwear Pty Ltd To Register Application 999278(25) Kunt, [2007] ATMO 34 (18 June 2007).

37 ATMO Trade mark registration no. 754799, 11 February 1998, in classes 18 & 25. FCUK is an acronym 'French Connection United Kingdom', originally the UK trade mark and name for the internationally known clothing company. FCUK has 12 other trade mark registration variants in Australia.

38 ATMO Trade mark registration no. 937891 in class 25, 16 December 2002; ATMO Trade mark registration no. 1039535 in classes 16 & 18, 28 January 2005.

39 The applicant also tried to establish, rather unconvincingly and without success, that the trade mark is an acronym for 'Kakadu Unspoilt Northern Territory', thus invoking the 'acronym' argument. However, the Delegate held that, to the ordinary person, the trade mark was meaningless as an acronym (whether punctuated by full stops or not) and it was inevitable that the significance of the 'acronym's' resemblance to the 'c' word will be immediately understood.

40 'Canute' is the well-known spelling for an early king of Britain, while 'Cnut' is now generally accepted as how the name should be more properly spelt.

umlaut to the letter ‘u’, although an apparently minor addition, would alter the word from an imitation of an obscene English word to one which is more apparently a foreign word, and would significantly change its pronunciation. Thus, the Delegate ruled that the amendment in this case was not one which was permissible as it involved a substantial change to the identity of the applicant mark.

The Delegate observed that, had the application mark been in the form in actual use by applicant, namely ‘KÜNT’, it would be immediately identifiable as a foreign language word with merely a coincidental resemblance to the ‘c’ word, and thus would not be objectionable in terms of s 42(a) of the TMA.<sup>41</sup> In other words, it would then fall into the same class as ‘FCUK’ and ‘CNUT’. It should therefore be capable of acceptance for possible registration (if it encounters no objection in terms of other provisions of the TMA), subject to an endorsement which details any meaning it might have in a foreign language. The Delegate also observed that the denotations of some foreign language or slang obscenities may be found to be so obscure in Australia generally, or meaningful only within the subculture which uses and accepts them without shock, that they could be accepted for possible registration.<sup>42</sup> However, it is suggested that the simple device of attaching a grammatical device — in itself obscure in terms of its visual impact and its grammatical and pronunciation implication — would not alone remove the obvious association with a scandalous word in the minds of the general market for the goods for which the mark would be used.

The application in this case was refused, not on grounds relating to the requirements of s 41 of the TMA, but under s 42, on the grounds that the trade mark was held to be scandalous or offensive.

## V. CONCLUSION

The ATMO position of foreign language marks aligns itself closer to the US doctrine of foreign equivalents than does the emerging position of the courts by which a broader spectrum of factors are generally taken into account. The ATMO position appears to presume the importance of the local language focal point and, hence, gives an undue emphasis to transliterated forms and translated meanings. The courts, on the other hand, would appear to adopt a more practical, realistic and accommodating approach by placing a greater emphasis on the provisions and opportunities allowed by ss 41, 43 and 44 of the TMA. While mere speculation, it is possible that the Kuntstreetwear application, under these broader considerations, may well have succeeded. The appearance of the umlaut as a transformation of the application mark from an English scandalous word to a perceived foreign word may not have been given the same significance within the court approach as it received from the Delegate — as an aside to the decision, as it eventuated.

The ATMO approach tends to diminish the particular foreign characteristic of a trade mark by, in essence, reducing it to an English equivalence, but in so doing it may overlook the very element that gives the foreign mark its distinctive characteristic and the capacity to distinguish inherently or by use as required by s 41 of the TMA, namely that it is, and is meant to appear as, a mark of foreign origin.

The much broader approach taken by the courts allows for a greater degree of critical scrutiny and judgment, and considers the impact of foreign language marks in a more appropriate and realistic context. The ‘Budweiser’ case, and the other cases discussed above, illustrate that capability to distinguish in respect of foreign language marks derives some of its value and character from the fact that the marks are of foreign origin and meaning and the fact that they have not become well established in respect of their original meaning. However, as community familiarity develops, particularly in a multicultural environment with an increasingly international exposure, the elements of distinctiveness,

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<sup>41</sup> ATMO, above n 36, 16.

<sup>42</sup> Ibid.

under s 41 of the TMA as they particularly relate to formerly unfamiliar foreign language marks, will become increasingly difficult to satisfy. Similarly, arguments of deceptive similarity pursuant to ss 43 and 44 of the TMA will become increasingly more common.

Foreign language marks, which in the past may have enjoyed a limited degree of distinctiveness and exclusivity simply by virtue of their foreign character, will need to be subjected to greater degrees of examination and scrutiny as to their appearance and meanings in both their original and new contexts. As shown by the *Kunststreetwear* trade mark application, the differences in the two contexts can be significant to the point that successful registration in one context does not allow similar success in the other.