

BETWEEN:

CANTARELLA BROS PTY LIMITED

(ACN 000 095 607)

Appellant

and



MODENA TRADING PTY LIMITED

(ACN 140 018 015)

Respondent

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APPELLANT'S REPLY

Part I:

The appellant certifies that this reply is in a form suitable for publication on the internet.

Part II:

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1. The key point of principle that divides the parties is whether the statutory expression "inherently adapted to distinguish" in section 41 of the *Trade Marks Act 1995* requires or involves a consideration of the ordinary signification of the relevant trade mark. The appellant submits that it does (AS [25], [29], [30]). The respondent submits that it does not (RS [29]).

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2. The respondent places significant weight on the language used in an often quoted passage in *The Registrar of Trade Marks v W & G Du Cros, Limited* [1913] AC 264 (*Du Cros*). That passage is obviously not a substitute for the statutory words but the passage in any event can only be understood as implicitly involving the approach elucidated by Kitto J in *Clarke Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 190. That is so because one has to attempt to understand why it is that a trader would wish to describe goods using that mark and that attempt necessarily requires a consideration of the mark's ordinary signification.

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3. The correct approach is also informed by the nature of a trade mark. Section 17 provides that it is a “sign” to distinguish the goods of a person. There is a broad inclusive definition of “sign” in section 6.
4. The respondent’s proposition is directed to supporting the approach of the Full Court which held that “it is unnecessary, in our opinion, that consumers know what the words mean in English” (AJ[88]). The Full Court’s approach was to rely on evidence of what were said to be similar uses of the relevant marks by other traders. But the fact of other uses by other traders, particularly uses which almost universally post-dated the dates of application for the marks, does not inform the essential statutory question. The mere fact that two or more traders independently decide to use a word as a trade mark on their products does not logically mean that the word has no inherent capacity to distinguish. Of itself, it means no more than the traders all thought that that mark was a good mark to distinguish their goods. Indeed, the very fact that they all thought so, if anything, is evidence that the mark had an inherent capacity to distinguish.
5. In any event, evidence of such use by other traders does not render otiose the statutory question as to the inherent capacity of the mark to distinguish. If the ordinary signification of the mark is not of its nature such that other traders are likely to want to use it in respect of their goods, it has inherent capacity to distinguish.
6. One of the difficulties in not addressing the statutory question but instead mechanically totalling up evidence of uses by other traders is that all it does is promote collateral inquiries as to precisely how the trader was using the mark, was it the same mark or part of a composite mark, was it used descriptively, when did the use commence and what prompted commencement of the use. The Full Court did not address any of those matters.
7. There are two notable features of the facts in the present case. The first is that the only analysis undertaken of usages of the marks by traders was the usages by the appellant in respect of the non-use claim and the usages by the respondent in respect of the infringement case. As previously submitted, the trial judge found that by importing and selling Caffé Molinari products bearing the marks, the respondent had used both marks to distinguish its goods from those of other traders and had not used

the marks as a good faith description of the goods (AS [9]). That finding was not appealed and is entirely antithetical to a conclusion that the marks have no inherent capacity to distinguish. The other analysis undertaken was that of the appellant's use of the marks in relation to the non-use claim. As previously submitted the trial judge found that the appellant had used the marks as trademarks and not as mere descriptors (AS [10]). The Full Court's overturning of that finding was not based on anything other than its conclusion that the marks had no inherent capacity to distinguish (AS [54]). There is a difficulty with the asserted logical relationship between the two propositions but that does not need to be determined if the appeal succeeds on validity.

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8. The second notable feature is that the evidence of other traders' uses is all post the registration dates other than the use by importation of Caffé Molinari products. As previously submitted (AS [18], [19]), there is no evidence as to the nature of that use in respect of the Caffé Molinari products, and hence it is of no evidentiary significance.
9. The schedule to the respondent's submissions is a version of a schedule put to the primary judge and to the Full Court and answered by the appellants. The detailed responses are attached to this reply. The answers are summarised at AS [16] –[19]. In short, in relation to traders other than Caffé Molinari or the respondent there was no evidence before the primary judge as to the use by any trader of "ORO" before the ORO registration date and current uses were not analysed as to whether they were uses of ORO as a trademark on its own or as part of a composite mark or descriptively. There was no evidence that any trader other than Caffé Molinari or the respondent had ever used CINQUE STELLE in any fashion. Contrary to RS [67], there was no relevant "sheer weight of usage". The evidence could not support a conclusion that as at the registration dates "traders" had evinced a desire to use the marks.
10. Contrary to RS [29(e)(iii)], the Full Court's conclusion at AJ [97] was not supported by findings made by the primary judge. There was nothing in the primary judge's reasoning (or any evidence before his Honour) to support such conclusions as at the dates of registration. Even if current usage was relevant, there was no analysis to support a conclusion that any use of the marks by others was descriptive in any way

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or that they had come to be known in the trade as descriptive. There is detailed evidence that there was no use in the coffee industry of designations of gold, or any star system (Aff. A McKay [41]-[45]).

11. The respondent's submissions contest portions of the factual narrative in the appellant's submissions. This contest is misplaced for two reasons. First, the findings asserted by the respondent are merely the recitation of the respondent's argument which the primary judge rejected (see, for example, PJ[111]: "that is not the question"), and went on to find that neither *cinque stelle* nor *oro* "means anything in English" (PJ[117]). These findings were not challenged or disturbed on appeal and are not the subject of any contention to this Court.
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12. Secondly, the respondent's contest appears to be directed to factual issues irrelevant to the appeal: that there are people that speak only Italian at home says nothing about their propensity to consume coffee or what they might do when confronted with the trade marks used by the appellant the subject of these proceedings. The trial judge was unable to draw the conclusion that the marks would be generally understood in the manner for which the respondent contends.
13. Contrary to RS [18] the reasoning about "an invented word" by reason of amendments made to s.16 of the *Trade Marks Act* 1905 (by s.5 of the *Trade Marks Act* 1912) requires the same consideration of distinctiveness: s.16(2) (*Trade Marks Act* 1905-1936). In relation to distinctiveness, there is no practical difference: the presence of a foreign word or a newly coined word requires the same enquiry as to distinctiveness which is inherent to the mark itself. Similarly (for the reasons given in AS [15]), the reasoning in *Mark Foys* is relevant to the enquiry.
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14. *Is infringement required?* Self evidently, unless and until a trader might wish to use a sign *as a trade mark* (within the meaning of s.17 of the TM Act (as extended by ss.7, 9, and 10) in respect of which the goods or services are registered there is no need for an enquiry. Absent trade mark use by a respondent, a party in the position of the present appellant would have no cause of action.
15. Contrary to RS [68], the appellant's argument does not lead to any anomaly. The respondent constructs a false issue. If there is merely descriptive use, then s.120 is not engaged. Section 122(1)(b) is only engaged where there has been trade mark use:
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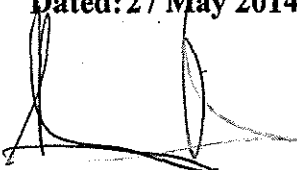
s.122(1) ("In spite of section 120"). The paragraph was called in aid by the respondent, but found by the trial judge not to be available to it, because of its lacking *bone fides*: PJ[176]. The question of the test for registrability is not informed by recourse to exceptions to infringement; so much is confirmed by the presence (for example) of ss. 123 and 124. In the latter instance, a prior user need not impugn registration to escape infringement; something that was plainly not available to the respondent in the present case. It follows that there is no basis for the respondent's submission in RS [30(b)] that any likely use by a trader of the marks, regardless of the nature of that use, as distinct from one focussed upon use as a trade mark, is relevant.

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16. Contrary to RS [74], the appellant did not suggest that an anglocentric perspective be adopted. The relevant enquiry is whether the words in question formed part of the common heritage of which other traders may wish to make honest use.
17. **Non use.** The submissions at RS [81]-[83] can only be understood as relying upon the Full Court's rejection of the primary judge's finding of inherent capacity to distinguish. They cannot be understood as seeking to support the non use finding on an alternative basis, as there is no notice of contention.

Dated: 27 May 2014

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Table responding to Respondent's Attachment

"Oro"

	Applicant's comments
1	The earliest use in evidence of oro on the packaging of this product in evidence is in respect of a purchase made by C Pagent on 29 March 2011, <i>C Pagent 1</i> [10] [AB 324]
2	* The dates should be September 1996 to November 2009. Invoices in evidence show last sale is dated 4 April 2002. ** Mr Molinari's evidence does not refer to ORO specifically (see Ex GM1, RCB, vol 1, page 101). *** I Pagent #1, at [14], [19]-[20] gives the period of use December 2009 to July 2011.
3	* <i>Gerakiteys</i> [9] [AB 296] gives evidence that this is one of the Applicant's trade marks used by a wholly owned subsidiary, Cosmo Foods Pty Limited.
4	* <i>Gerakiteys</i> [9] [AB 296] gives evidence that this is one of the Applicant's trade marks used by a wholly owned subsidiary, Cosmo Foods Pty Limited.
5	* The evidence discloses that the Applicant commenced using the mark ORO in 1996. It obtained registration for the trade mark ORO NERO from 12 August 1996 and registration of the trade mark ORO from 24 March 2000. <i>Abrahams 1</i> , [36] to [37] [AB 40].
6	There is no evidence of use of this mark in Australia before the Court.
7	There is no evidence of use of this mark in Australia before the Court.
8	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 26 March 2011, <i>C Pagent 1</i> [68] [AB 353]
9	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 30 March 2011, <i>C Pagent 1</i> [69] [AB 353]
10	There is no evidence of use of this mark in Australia before the Court.
11	There is no evidence of use of this mark in Australia before the Court.
12	* There are only two distributors identified in the evidence: Thompson Management Consulting Pty Limited and St George Smallgoods Pty Limited. The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [46] [AB 339]

	Applicant's comments
13	* This entity is no longer using Oro. The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 30 March 2011, <i>C Pagent 1</i> [14] [AB 325]
14	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [19] [AB 328]
15	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [22] [AB 329]
16	* This entity is no longer using Oro. The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 12 April 2011, <i>C Pagent 1</i> [26] [AB 330]
17	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [30] [AB 332]
18	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [34] [AB 334]
19	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [35] [AB 338]
20	The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 March 2011, <i>C Pagent 1</i> [42] [AB 337]
21	* This entity is no longer using Tazza D'Oro. The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 31 March 2011, <i>C Pagent 1</i> [49] [AB 339]
22	* No coffee was purchased by Mr Pagent.
23	* No coffee was purchased by Mr Pagent.
24	* This entity is now using Mokador Ora. The earliest use in evidence of oro on the packaging of this product is in respect of a purchase made by C Pagent on 28 April 2011, <i>C Pagent 1</i> [77] [AB 362]
25	* No coffee was purchased by Mr Pagent.
26	* No coffee was purchased by Mr Pagent.
27	* No coffee was purchased by Mr Pagent.

	Applicant's comments
28	* This entity is no longer using Oro. ** PFD Food Services Pty Limited.
29	There is no evidence of use of this mark in Australia before the Court.
30	There is no evidence of use of this mark in Australia before the Court.

Cinque Stelle and 5 Star (including variations)

	Applicant's Comments
1	There is only one instance of use in one invoice on 14 October 1998. The other invoices do not disclose the use of Cinque Stelle. The user subsequent to 1998 is only one article in May 2001 and there after from late 2009 by the respondent.
2	The applicant commenced using the mark in 2000.
3	* This is not use of CINQUE STELLE
4	* This is not use of CINQUE STELLE
5	* This is not use of CINQUE STELLE
6	* This is not use of CINQUE STELLE
7	* This is not use of CINQUE STELLE. ** No coffee was purchased by Mr Pagent.
8	* This is not use of CINQUE STELLE. ** No coffee was purchased by Mr Pagent.
9	* This is not use of CINQUE STELLE. ** No coffee was purchased by Mr Pagent.
10	* This is not use of CINQUE STELLE. ** No coffee was purchased by Mr Pagent.
11	There is no evidence of use of this mark in Australia before the Court.