FEDERAL COURT OF AUSTRALIA

Energy Beverages LLC v Cantarella Bros Pty Ltd [2022] FCA 113

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| File numbers: | NSD 1711 of 2019  NSD 1858 of 2019  NSD 63 of 2021 |
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| Judgment of: | **HALLEY J** |
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| Date of judgment: | 18 February 2022 |
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| Catchwords: | **TRADE MARKS** – appeal from two decisions of the delegate of the Registrar of Trade Marks (**delegate**) to refuse opposition to application for removal of appellant’s trade marks (MOTHERLAND mark and MOTHER LOADED ICED COFFEE mark, together **marks**) – hearing de novo – whether appellant had an intention in good faith to use MOTHER LOADED ICED COFFEE mark pursuant to s 92(4)(a) of the *Trade Marks Act 1995* (Cth) (**Act**) – whether appellant had demonstrated genuine commercial use of the MOTHERLAND mark during relevant period pursuant to s 92(4)(b) of the Act – whether facts and circumstances warrant exercise of discretion pursuant to s 101(3) of the Act to allow marks to remain on Register – where no intention in good faith to use MOTHER LOADED ICED COFFEE mark – where no genuine use of MOTHERLAND mark during relevant period – where insufficient facts or circumstances to warrant exercise of discretion – appeal dismissed  **TRADE MARKS** – appeal from decision of the delegate to refuse opposition to registration application of trade mark by respondent (MOTHERSKY mark) – hearing de novo – whether MOTHERSKY mark is substantially identical or deceptively similar to appellant’s marks or MOTHER marks pursuant to s 44 of the Act – whether goods in registration application are goods of the same description to appellant’s registrations – whether respondent’s use of MOTHERSKY likely to deceive or cause confusion due to appellant’s reputation in MOTHER marks pursuant to s 60 of the Act – where MOTHER marks had acquired a significant reputation in Australia for energy drinks – appeal dismissed  **CONSUMER** **LAW** – whether use of the MOTHERSKY mark contrary to law pursuant to ss 19 or 29 of the *Australian Consumer Law* due to appellant’s reputation in the MOTHER marks – appeal dismissed |
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| Legislation: | *Competition and Consumer Act 2010* (Cth) Schedule 2 (*Australian Consumer Law*) ss 18, 29  *Trade Marks Act 1995* (Cth) ss 42, 44, 52, 60, 92, 101 |
|  |  |
| Cases cited: | *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* (2017) 124 IPR 264; [2017] FCAFC 56  *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683  *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (2021) 393 ALR 595; [2021] FCAFC 163  *Apple Inc v Registrar of Trade Marks* (2014) 227 FCR 511; [2014] FCA 1304  *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391  *Austin, Nichols & Co Inc v Lodestar Anstalt* (2012) 202 FCR 490; [2012] FCAFC 8  *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* (2014) 317 ALR 73; [2014] FCA 634  *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640; [2013] HCA 54  *Australian Competition and Consumer Commission v* *TPG* *Internet Pty Ltd* (2020) 278 FCR 450; [2020] FCAFC 130  *Australian Woollen Mills Limited v F S Walton & Co Limited* (1937) 58 CLR 641  *Bauer Consumer Media Ltd v Evergreen Television Pty Ltd* (2019) 142 IPR 1; [2019] FCAFC 71  *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* (2018) (2018) 129 IPR 482; [2018] FCA 235  *Butcher v Lachlan Elder Realty Pty Limited* (2004) 218 CLR 592; [2004] HCA 60  *Campomar Sociedad, Limitada v Nike International* *Limited* (2000) 202 CLR 45; 46 IPR 481; [2000] HCA 12  *Cantarella Bros Pty Limited v Modena Trading Pty Limited* (2014) 254 CLR 337; [2014] HCA 48  *Carter v Liberty Procurement Co Inc* (2016) 125 IPR 235  *Christian v Société Des Produits Nestlé SA (No 2)* (2015) 115 IPR 421; [2015] FCAFC 153  *Colorado Group Ltd and Another v Strandbags Group Pty Ltd* (2007) 164 FCR 506; [2007] FCAFC 184  *Cooper Engineering Co Proprietary Limited v Sigmund Pumps Limited* [1952] HCA 15; (1952) 86 CLR 536  *Dunlop Aircraft Tyres Limited v Goodyear Tire and Rubber Company* (2018) 262 FCR 76; [2018] FCA 1014  *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2008) 77 IPR 69; [2008] FCA 934  *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144; [2010] HCA 15  *Energy Beverages LLC v Cantarella Bros Pty Ltd* [2019] ATMO 140  *Energy Beverages LLC v Cantarella Bros Pty Ltd* [2019] ATMO 150  *Energy Beverages LLC v Cantarella Bros Pty Limited* [2020] ATMO 198  *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9; [2010] FCAFC 58  *Frucor Beverages Limited v The Coca-Cola Company* (2018) 358 ALR 336; [2018] FCA 993  *Global Sportsman Pty Ltd v Mirror Newspapers Pty Ltd* (1984) 2 FCR 82  *Goodman Fielder Pte Ltd v Conga Foods Pty Ltd* (2020) 158 IPR 9; [2020] FCA 1808  *Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435; 99 IPR 197; [2013] HCA 1  *Health World Ltd v Shin-Sun Australia Pty Ltd* (2010) 240 CLR 590; [2010] HCA 13  *Hungry Spirit Pty Limited ATF The Hungry Spirt Trust v Fit n Fast Australia Pty Ltd* [2020] FCA 883  *Kraft Foods Group Brands LLC v Bega Cheese Limited* (2020) 151 IPR 369; [2020] FCAFC 65  *McCormick & Co Inc v McCormick* (2000) 51 IPR 102; [2000] FCA 1335  *MID Sydney Pty Ltd v Australian Tourism Company Ltd and Others* (1998) 90 FCR 236  *Monster Energy Company v Mixi Inc* (2020) 156 IPR 378; [2020] FCA 1398  *New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd* *and Another* (1989) 86 ALR 549  *Nature’s Blend Pty Ltd v Nestlé Australia Ltd* (2010) 272 ALR 487; [2010] FCAFC 117  *Optical 88 Limited v Optical 88 Pty Limited (No 2)* (2010) 89 IPR 457; [2010] FCA 1380  *Oracle Corporation v Newcom Technologies Pty Ltd* (2000) 49 IPR 647  *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191  *PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* (2020) 154 IPR 68  *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* (2017) 251 FCR 379; [2017] FCAFC 83  *Primary Health Care Limited v Commonwealth of Australia* [2017] FCAFC 174  *Re Application by Pianotist Company Ltd* (1906) 23 RPC 774  *Reckitt & Coleman (Australia) Limited v Boden* (1945) 70 CLR 84  *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365; [1999] FCA 1020  *Rodney Jane Racing Pty Ltd v Monster Energy Company* (2019) 370 ALR 140; 142 IPR 275; [2019] FCA 923  *Rowntree plc v Rollbits Pty Ltd* *and Another* (1988) 10 IPR 539  *Sensis Pty Ltd v Senses Direct Mail and Fulfilment Pty Ltd* (2019) 141 IPR 463;[2019] FCA 719  *Southern Cross Refrigerating Company v Toowoomba Foundry Proprietary Limited* (1954) 91 CLR 592  *Sports Warehouse, Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519; [2010] FCA 664  *Suyen Corporation v Americana International Ltd* (2010) 87 IPR 262; [2010] FCA 638  *Telstra Corporation Ltd and Another v Phone Directories Company Australia Ltd (ACN 079 290 805)* *and Others* (2015) 237 FCR 388; [2015] FCAFC 156  *Trident Seafoods Corp v Trident Foods Pty Ltd* (2018) 137 IPR 65; [2018] FCA 1490  *Urban Alley Brewery Pty Ltd v La Sirène Pty Ltd* [2020] FCAFC 186  *Vivo International Corporation Pty Ltd* *v* *Tivo Inc* (2012) 99 IPR 1; [2012] FCAFC 159  *Ward Group Pty Ltd v Brodie & Stone Plc* (2005) 143 FCR 479; [2005] FCA 471  *Woolworths Ltd v BP plc* (2006) 150 FCR 134; [2006] FCAFC 52 |
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| Division: | General Division |
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| Registry: | New South Wales |
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| National Practice Area: | Intellectual Property |
|  |  |
| Sub-area: | Trade Marks |
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| Number of paragraphs: | 393 |
|  |  |
| Date of hearing: | 5, 6, 8 and 9 July 2021 |
|  |  |
| Counsel for the Appellant: | Mr N Murray SC with Ms S Ryan |
|  |  |
| Solicitor for the Appellant: | Davies Collison Cave Law |
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| Solicitor for the Respondent: | Herbert Smith Freehills |

ORDERS

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|  | | NSD 1711 of 2019 |
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| BETWEEN: | ENERGY BEVERAGES LLC  Appellant | |
| AND: | CANTARELLA BROS PTY LTD ACN 000 095 607  Respondent | |

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| order made by: | HALLEY J |
| DATE OF ORDER: | 18 February 2022 |

THE COURT ORDERS THAT:

1. The notice of appeal be dismissed.

2. The appellant is to pay the respondent’s costs, as taxed or agreed.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

ORDERS

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|  | | NSD 1858 of 2019 |
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| BETWEEN: | ENERGY BEVERAGES LLC  Appellant | |
| AND: | CANTARELLA BROS PTY LTD ACN 000 095 607  Respondent | |

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| order made by: | HALLEY J |
| DATE OF ORDER: | 18 February 2022 |

THE COURT ORDERS THAT:

1. The notice of appeal be dismissed.

2. The appellant is to pay the respondent’s costs, as taxed or agreed.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

ORDERS

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|  | | NSD 63 of 2021 |
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| BETWEEN: | ENERGY BEVERAGES LLC  Appellant | |
| AND: | CANTARELLA BROS PTY LTD ACN 000 095 607  Respondent | |

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| order made by: | HALLEY J |
| DATE OF ORDER: | 18 February 2022 |

THE COURT ORDERS THAT:

1. The amended notice of appeal be dismissed.

2. The appellant is to pay the respondent’s costs, as taxed or agreed.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

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**REASONS FOR JUDGMENT**

**HALLEY J:**

# INTRODUCTION

1 The appellant (**EB**) appeals from three decisions of delegates of the Registrar of Trade Marks (**Delegate** or **Delegates**) comprising two decisions refusing opposition by EB to applications by the respondent (**Cantarella**) for the removal of trade marks registered in the name of EB and a third decision refusing opposition by EB to an application by Cantarella for the registration of a trade mark.

2 EB, through its wholly owned subsidiary, Energy Beverages Australia Pty Ltd (**EB Australia**), supplies energy drinks under its MOTHER trademarks and MOTHER-derivative marks and taglines. The MOTHER brand was acquired by EB in June 2015 from The Coca-Cola Company (**TCCC**).

3 Cantarella is a supplier of pure coffee, either in bean, ground or, more recently capsule form, in Australia under a number of brands. It sells pure coffee to cafés and restaurants, major supermarket chains and wholesale and retail grocery stores, among other establishments.

# THE TRADE MARKS

## MOTHERLAND mark

4 EB was the owner of the registered trade mark “MOTHERLAND” under Australia trade mark registration number 1345404 (**MOTHERLAND registration**) with respect to the following class 32 goods:

Non-alcoholic beverages; drinking waters, flavoured waters, mineral and aerated waters; carbonated soft drinks, energy drinks and sports drinks; fruit drinks and juices; syrups, concentrates and powders for making beverages including syrups, concentrates and powders for making mineral and aerated waters, carbonated soft drinks, energy drinks, sports drinks, fruit drinks and juices

5 EB now seeks to limit the scope of the goods and services claimed by the MOTHERLAND mark to the following goods and services:

drinking waters, flavoured waters, mineral and aerated waters; carbonated soft drinks, energy drinks and sports drinks

(together **MOTHERLAND Protected Goods**)

6 On 12 February 2019, Cantarella applied for the removal of the MOTHERLAND registration pursuant to s 92(4)(b) of the *Trade Marks Act* *1995* (Cth) (**Act**), alleging non-use in the period 12 January 2016 to 12 January 2019 (**MOTHERLAND Relevant Period**). EB filed a Notice of Intention to Oppose on 10 April 2019, and a Statement of Grounds and Particulars on 9 May 2019.

7 On 21 December 2020, the Delegate found that Cantarella’s application for removal pursuant to s 92(4)(b) of the Act was successful due to non-use, and directed that the MOTHERLAND mark be removed from the Australian Trade Marks Register (**Register**): see *Energy Beverages LLC v Cantarella Bros Pty Limited* [2020] ATMO 198 (**MOTHERLAND decision**).

## MOTHER LOADED ICED COFFEE mark

8 EB was also the owner of the registered trade mark “MOTHER LOADED ICED COFFEE” under Australia trade mark registration number 1408011 (**MLIC registration**) with respect to the following goods:

Class 29:

Milk and milk products; flavoured milk beverages; dairy products including milk and yoghurt based products and beverages with or without fruit additives; yoghurt; food supplements and nutritional supplements (other than for medicinal use); natural products in this class incorporating herbal preparations (other than for medicinal use); food supplements with herbs (other than for medicinal use); drinks flavoured with herbs and having a milk base

Class 30:

Coffee; tea; cocoa; chocolate; artificial coffee; ice cream; beverages in this class including coffee based beverages, tea based beverages and chocolate based beverages; herbal extracts (other than for medicinal purposes); herbal infusions (other than for medicinal use) and herbal tea (other than for medicinal use)

9 EB now seeks to limit the scope of the goods and services covered by the MOTHER LOADED ICED COFFEE mark to the following goods and services:

Class 29:

flavoured milk beverages; milk based beverages with or without fruit additives; liquid food supplements and nutritional supplements (other than for medicinal use); liquid food supplements with herbs (other than for medicinal use); drinks flavoured with herbs and having a milk base

Class 30:

Coffee; cocoa; chocolate; artificial coffee; beverages in this class including coffee based beverages and chocolate based beverages; herbal infusions (other than for medicinal use)

(together **MLIC Protected Goods**.)

10 On 13 February 2018, Cantarella applied for removal of the MLIC registration pursuant to ss 92(4)(a) and (b) of the Act. On 30 April 2018, EB filed a Notice of Intention to Oppose, and a rectified Statement of Grounds and Particulars on 20 June 2018. Cantarella filed its Notice of Intention to Defend the removal application on 6 August 2018.

11 On 24 September 2019, the Delegate found that Cantarella’s application for removal pursuant to s 92(4)(b) of the Act was successful due to non-use, and directed that the MLIC mark be removed from the Register: see *Energy Beverages LLC v Cantarella Bros Pty Ltd* [2019] ATMO 140 (**MLIC decision**).

## MOTHERSKY mark

12 On 11 January 2017, Cantarella applied for registration of “MOTHERSKY” in class 30 in respect of coffee, coffee beans and chocolate, and in class 41 in respect of coffee roasting and coffee grinding under Australia trade mark registration number 1819816 (**MOTHERSKY application**). Originally, Cantarella had also applied for coffee beverages and chocolate beverages in class 30, but deleted those items after EB filed its Notice of Intention to Oppose.

13 On 31 July 2017, EB opposed acceptance of the MOTHERSKY application pursuant to s 52 of the Act. The grounds of the opposition were ss 44, 60 and 42(b) of the Act, which deal with deceptive similarity or marks that are identical, reputation in a trade mark, and whether use of the mark would be contrary to the law, respectively. EB filed a Statement of Grounds and Particulars on 30 August 2017, and Cantarella filed a Notice of Intention to Defend on 16 October 2017.

14 On 18 October 2019, the Delegate found in favour of Cantarella as EB had not established a ground of opposition, and the registration of the MOTHERSKY mark was completed one month later: see *Energy Beverages LLC v Cantarella Bros Pty Ltd* [2019] ATMO 150 (**MOTHERSKY decision**).

## MOTHER marks

15 Two other trade marks of EB are relevant to a determination of the appeals.

16 *First*, the MOTHER mark (TM 1230388) (**MOTHER 388 mark**).

17 The MOTHER 388 mark was a mark with a priority date earlier than MOTHERSKY and was registered in respect of the following goods:

Class 32: Non-alcoholic beverages; drinking waters, flavoured waters, mineral and aerated waters; carbonated soft drinks, energy drinks and sports drinks; fruit drinks and juices; syrups, concentrates and powders for making beverages including syrups, concentrates and powders for making mineral and aerated waters, carbonated soft drinks, energy drinks, sports drinks, fruit drinks and juices.

18 *Second*, the MOTHER mark (TM 1364858) (**MOTHER 858 mark**).

19 The MOTHER 858 mark was also a mark with a priority date earlier than MOTHERSKY and was registered in respect of the following goods:

Class 33: Alcoholic beverages (except beers); distilled spirits; liqueurs; wines; wine based alcoholic beverages; spirit based alcoholic beverages

# ISSUES FOR DETERMINATION

## MLIC and MOTHERLAND appeals

20 The principal agreed issues for determination in NSD1711/2019 (**MLIC appeal**) and NSD63/2021 (**MOTHERLAND** **appeal**) are as follows (noting that the agreed issues for determination document was prepared prior to the order that the MOTHERLAND appeal be heard together with the MLIC appeal and the appeal in NSD1858/2019 (**MOTHERSKY appeal**)):

(a) as at the filing date of the application for the MLIC registration, did TCCC have an intention in good faith to use, authorise the use of, or assign to a body corporate for use by that body corporate, the MOTHER LOADED ICED COFFEE mark in Australia in relation to the MLIC Protected Goods pursuant to s 92(4)(a) of the Act?

(b) did EB use the MOTHERLAND mark in relation to goods covered by the registration of the mark during the MOTHERLAND Relevant Period within the meaning of s 100(3)(a) of the Act?

(c) are there facts and circumstances that warrant the exercise of the discretion pursuant to s 101(3) of the Act to allow the MOTHER LOADED ICED COFFEE mark to remain on the Register in relation to some or all of the MLIC Protected Goods and the MOTHERLAND mark to remain on the Register in relation to some or all of the MOTHERLAND Protected Goods?

## MOTHERSKY appeal

21 The principal agreed issues for determination in the MOTHERSKY appeal are as follows.

22 In relation to s 44 of the Act:

(a) is the MOTHERSKY mark substantially identical with or deceptively similar to any of the following marks:

(i) the MOTHER 388 Mark and the MOTHER 858 Mark (together **MOTHER marks**);

(ii) the MOTHERLAND mark; or

(iii) the MOTHER LOADED ICED COFFEE mark?;

(b) are “coffee” and “chocolate” specified in the MLIC registration the same goods, or goods of the same description, as “coffee; coffee beans; chocolate”?;

(c) are “coffee” and “chocolate” specified in the MLIC registration closely related to the services of “coffee roasting; coffee grinding”?;

(d) are “cocoa” and “artificial coffee” specified in the MLIC registration goods of the same description as “coffee; coffee beans; chocolate”?;

(e) are “carbonated soft drinks, energy drinks and sports drinks” and “… syrups, concentrates and powders for making … carbonated soft drinks, energy drinks, sports drinks …” specified in the MOTHERLAND registration and the MOTHER 388 mark goods of the same description as “coffee” and “chocolate”?;

(f) are “non-alcoholic beverages” and “syrups, concentrates and powders for making beverages” specified in the MOTHERLAND registration and the MOTHER 388 mark goods of the same description as “coffee” and “chocolate”?; and

(g) are “alcoholic beverages (except beers)”, “distilled spirits” and “liqueurs” specified in the MOTHER 858 mark goods of the same description as “coffee” and “chocolate”?

23 In relation to s 60 of the Act:

(a) had the MOTHER marks acquired a reputation in Australia prior to 11 January 2017 (**MOTHERSKY Priority Date**)?;

(b) if so, what was the nature and extent of that reputation?; and

(c) because of EB’s reputation in the MOTHER mark as at the MOTHERSKY Priority Date, would Cantarella’s use of the MOTHERSKY mark have been likely to deceive or cause confusion as at the MOTHERSKY Priority Date?

24 In relation to s 42(b) of the Act:

(a) because of the reputation of the MOTHER marks in Australia, would the use of the MOTHERSKY mark be contrary to law as at the MOTHERKY Priority Date, on the basis that it:

(i) constitutes misleading or deceptive conduct, contrary to s 18 of the Australian Consumer Law (**ACL**); and/or

(ii) gives rise to a false or misleading representation that Cantarella or its goods and services have a sponsorship, approval or affiliation that they do not have, contrary to ss 29(1)(g) and (h) of the ACL?

# PRINCIPAL CONCLUSIONS

25 For the reasons outlined below my principal conclusions are as follows:

(a) TCCC did not have an intention in good faith to use, authorise the use or assign to a body corporate for use by that body corporate of the MOTHER LOADED ICED COFFEE mark in relation to the MLIC Protected Goods as at its filing date;

(b) EB has not demonstrated that it used the MOTHERLAND mark in relation to goods covered by the registration of the mark during the MOTHERLAND Relevant Period;

(c) there are insufficient facts and circumstances to warrant the exercise of the discretion under s 101(3) of the Act to allow either the MOTHER LOADED ICED COFFEE mark or the MOTHERLAND mark to remain on the Register;

(d) the MOTHERSKY mark is not substantially identical with or deceptively similar to the MOTHER marks, the MOTHERLAND mark or the MOTHER LOADED ICED COFFEE mark;

(e) “coffee” and “chocolate” are the same goods as “coffee; coffee beans and chocolate”;

(f) “coffee” but not “chocolate” is closely related to the services of “coffee roasting; coffee grinding”;

(g) “cocoa” and “artificial coffee” are not goods of the same description as “coffee, coffee beans; chocolate”;

(h) “carbonated soft drinks, energy drinks and sports drinks” and syrups, concentrates and powders for making them, are not goods of the same description as “coffee” and “chocolate”;

(i) “non-alcoholic beverages” and syrups, concentrates and powders for making them, are not goods of the same description as “coffee” and “chocolate”

(j) “alcoholic beverages (except beers)”, “distilled spirits” and “liqueurs” are not goods of the same description as “coffee” and “chocolate”;

(k) the MOTHER marks had acquired a significant reputation in Australia for energy drinks prior to the MOTHERSKY Priority Date;

(l) EB’s reputation in the MOTHER marks as at the MOTHERSKY Priority Date did not cause Cantarella’s use of the MOTHERSKY mark to have been likely to deceive or cause confusion as at the MOTHERSKY Priority Date; and

(m) EB’s reputation in the MOTHER marks as at the MOTHERSKY Priority Date did not cause Cantarella’s use of the MOTHERSKY mark to be contrary to law nor did it constitute misleading or deceptive conduct in contravention of s 18 of the ACL nor give rise to a false or misleading representation as to sponsorship, approval or affiliation, in contravention of s 29(1)(g) and (h) of the ACL.

# PRELIMINARY ISSUES

## Appeals from the Registrar of Trade Marks

26 Appeals to the Federal Court from a decision of a delegate of the Registrar of Trade Marks are as of right and are heard de novo: see ss 56 and 104 of the Act. They are heard within the Court’s original rather than appellate jurisdiction: *Woolworths Ltd v BP plc* (2006) 150 FCR 134; [2006] FCAFC 52 at [30] (Black CJ, Sundberg and Bennett JJ); *Bauer Consumer Media Ltd v Evergreen Television Pty Ltd* (2019) 142 IPR 1; [2019] FCAFC 71 (***Bauer***) at [2] (Greenwood J) and [256] (Burley J).

27 As a hearing de novo, the Court must approach the matter afresh without undue concern as to the reasons for the decision of the delegate, although weight can be given to the delegate’s opinion as a skilled and experienced person: *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365; [1999] FCA 1020 (***Woolworths***) at [32] (French J, as his Honour then was); *Telstra Corporation Ltd and Another v Phone Directories Company Australia Ltd (ACN 079 290 805)* *and Others* (2015) 237 FCR 388; [2015] FCAFC 156 (***Telstra***) at [181] (Besanko, Jagot and Edelman JJ).

28 The expression “goods of the same description” is one of impression and different minds may give different answers, and a different conclusion may be reached by the Court after considering the decision of the Registrar: *Rowntree plc v Rollbits Pty Ltd* *and Another* (1988) 10 IPR 539 at 546 (Needham J). The degree of weight that can be given will depend on the circumstances of each case, in particular, the extent to which the evidence before the Court might travel beyond or be inconsistent with the evidence before the delegate: *Apple Inc v Registrar of Trade Marks* (2014) 227 FCR 511; [2014] FCA 1304 at [23]-[24] (Yates J).

29 EB submits that there is a qualitative difference between its evidence in the hearings before the Delegates and in the appeals.

30 Cantarella submits that although EB has filed fresh affidavits in support of the appeals, the new evidentiary record relied upon by EB “simply gives greater weight to the conclusions which the Delegates formed”. In particular, Cantarella contends that there is no new evidence of “actual intentions” to use the MOTHERLAND nor MOTHER LOADED ICED COFFEE mark, nor any intention to produce a “coffee product” under the name “MOTHER” in Australia. It further submits that the late production of documents relied upon by EB to establish a relevant intention (**Recent EB Planning Documents**) should be accorded little weight because they have “recently been created in the shadow of this litigation, which has been on foot now for a number of years”.

31 Cantarella made two further submissions relevant to the weight to be attributed to the decisions of the Delegates.

32 *First*, the Delegates, unlike the Court, had the benefit of evidence as to future intentions from the most senior decision maker within EB, Mr Rodney Cyril Sacks, its Chief Executive Officer. I note, however, that Mr Samuel Thiele, the Vice President – Oceania for EB, gives evidence that while EB made recommendations on future product launches in Australia, ultimately all decisions on which products would be launched in this country were made by Monster Energy Company (**Monster**) in the United States of America.

33 *Second*, at the contested hearing before the Delegate in relation to the MOTHERSKY application, EB advanced the same contention as it advances before the Court. That submission was that, given the reputation of its MOTHER marks, the use of MOTHERSKY would be likely to deceive or cause confusion. The absence of any attempt to adduce evidence of actual confusion in the two years since the hearing before the Delegate, notwithstanding Cantarella continuing to promote and sell coffee under the MOTHERSKY mark, suggests the Delegate was correct in rejecting EB’s contentions under ss 42(b) and 60 of the Act, and that conclusion ought to be given weight.

34 I am satisfied that:

(a) the contentions advanced by EB before the Delegates were not materially different to those advanced in these proceedings;

(b) the evidence relied upon by EB in these proceedings was more extensive but not qualitatively different to that relied upon by EB before the Delegates;

(c) from my review of the Recent EB Planning Documents and submissions made in closed court by Mr Murray SC, who appeared for EB:

(i) the documents reflect genuine consideration by Monster and EB of potential future product launches; but

(ii) they do not disclose the existence of any concluded decision to launch any coffee product in Australia with the brand “MOTHER” or any “MOTHER”-derivative; and

(d) the absence of any evidence of confusion given the promotion and sale of coffee under the MOTHERSKY mark in the face of EB’s MOTHER marks is relevant to the weight that should be afforded to the decision of the Delegate in the MOTHERSKY application.

35 I therefore consider that it is appropriate to give weight to the decisions of the Delegates but I recognise that, ultimately, this is a hearing de novo and I must consider the issues raised in the appeals afresh.

## Onus and standard of proof

36 Generally speaking, EB bears the onus in the MOTHERSKY appeal, as the party seeking to oppose the registration of the MOTHERSKY mark, to establish the grounds of opposition on which it relies. The standard of proof is the ordinary civil standard on the balance of probabilities: *Telstra* at [132]-[133] (Besanko, Jagot and Edelman JJ).

37 As Cantarella submits, the legislative intent and judicially recognised result of the Act is that there is a presumption of registrability when an application is examined by the Registrar of Trade Marks: *Recommended Changes to the Australian Trade Marks Legislation*, Working Party to Review the Trade Marks Legislation (1992) p 44; Australia, Senate, *Debates* (1995) Vol 170, p 2590; Horak I and Davison M, *Shanahan’s Australian Law of Trade Marks and Passing Off* (6th ed, 2016, Lawbook Company) (***Shanahan’s***) at [25.05]; *Woolworths* at [24] (French J, as his Honour then was); *Sports Warehouse, Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519; [2010] FCA 664 (***Sports Warehouse***) at [26] (Kenny J).

38 It is against that background and presumption of registrability that the MOTHERSKY appeal is to be determined.

39 As the opponent to the non-use applications, EB also bears the onus in the MOTHERLAND and MLIC appeals to rebut any allegation that the marks have not been used or have not been intended to be used: s 100(1) of the Act; *Hungry Spirit Pty Limited ATF The Hungry Spirt Trust v Fit n Fast Australia Pty Ltd* [2020] FCA 883 at [9], [11] and [15] (Burley J).

# THE WITNESSES

## Witnesses for EB

40 **Mr Samuel Thiele** is the Vice President – Oceania for EB. He has worked continuously for Monster since May 2013 and for EB since its incorporation in 2015. He has 18 years of experience in the beverage industry in Australia in various marketing and business development roles. He was cross-examined.

41 Cantarella submits that except to the extent that Mr Thiele’s evidence was adverse to EB’s own interests it is of limited assistance. It submits that: *first*, he has no personal knowledge of much of the history and use of the MOTHER, MOTHERLAND and MOTHER LOADED ICED COFFEE marks and his evidence is largely based upon a consideration of documents; *second*, he resisted acknowledging that he was aware of matters in the course of his cross examination and only reluctantly, when pressed, conceded that he was in fact aware of those matters; *third*, he expressed opinions on matters that he was not qualified to express, such as the value of advertisements that were 10 years old; *fourth*, his evidence concerning the placement of the phrase “HIGH CAFFEINE CONTENT” on cans of MOTHER energy drinks was implausible because he acknowledged in cross examination that he was not part of the relevant decision making process; and *fifth*, he sought to speak at length about “coffee drinks on the horizon” in the absence of any evidentiary basis at the time his cross examination was concluded and his acknowledgment that EB had produced all evidence that it had of any plans to introduce any product relevant to the issues to be determined in the appeal.

42 I accept that there was at times a reluctance on the part of Mr Thiele to accept what appeared to be relatively uncontentious issues, such as his understanding of how to convert grams of sugar to teaspoons of sugar. On balance, however, I was satisfied that Mr Thiele was answering questions put to him truthfully, bearing in mind the perhaps natural tendency of witnesses to seek to rely upon minor ambiguities or imprecision in questions to avoid answering questions directly and the difficulties many senior executives appear to face in giving evidence limited to recollection rather than reconstruction.

43 Moreover, I am satisfied that the other challenges to Mr Thiele’s evidence go to the weight of the evidence, not whether any reliance can be placed on it. I do not make any adverse credit finding against Mr Thiele and I generally, subject to questions of weight, found his evidence to be of assistance.

44 **Mr Thomas Kelly** is the Chief Financial Officer of Monster and EB. He was not cross-examined.

45 **Ms Elizabeth Godfrey** is a principal of Davies Collinson Cave. She was not cross-examined.

46 **Ms Emily Maartensz** is a solicitor employed by Davies Collinson Cave. She was not cross-examined.

47 **Ms Jyoti Goonawardena** is a solicitor employed by Davies Collinson Cave. She gives evidence of trade mark searches that she conducted in response to trade mark searches that had been undertaken by Ms Meg Stacey for Canteralla. She was cross-examined.

48 Cantarella submits that her evidence in cross-examination was responsive and she made all appropriate concessions. I agree.

## Witnesses for Canterella

49 **Mr Simon Creswick** is the General Manager Foodservice at Canteralla. He gives evidence about the manufacturing processes for, and marketing and function of, coffee and energy drinks. He was cross-examined.

50 EB submits that Mr Creswick’s affidavit evidence was of limited value because it focused on the difference between “pure coffee” and “energy drinks” and was therefore of limited value because “coffee” extends well beyond “pure coffee”. The submission reflected the fundamentally different taxonomical approaches taken by EB and Cantarella to “coffee”. I found Mr Creswick’s evidence of assistance in addressing those different approaches and I generally accepted it.

51 **Ms Meg Stacey** is a solicitor employed by Herbert Smith Freehills. She gave evidence of four trade mark searches that she undertook of the Register on 5 August 2020. She was not cross-examined.

52 **Mr Michael Simonetti** is an expert witness. He is a computer scientist and software engineer with extensive experience in digital marketing. He gives evidence explaining the technical aspects of posting content to YouTube and Facebook. He was not cross-examined.

# EVIDENTIARY BACKGROUND

## MOTHER energy drinks

53 In early 2007, TCCC launched the MOTHER energy drink in Australia.

54 In June 2015, TCCC transferred the trade marks in Australia associated with the MOTHER range of energy drinks, as well as the business and goodwill pertaining to those trade marks to EB.

55 In December 2015, EB incorporated EB Australia to oversee the distribution of MOTHER energy drinks in Australia and to carry out marketing and promotion activities.

## Cantarella’s coffee products

56 Mr Creswick gives evidence that Cantarella’s business was founded in 1947, and since that time Cantarella has continuously traded in Australia, including by importing, distributing, marketing, advertising and promoting, and offering products for sale to both food service and retail customers.

57 Mr Creswick explains that Cantarella first began to import raw coffee beans into Australia in 1958 for the purpose of roasting, grinding and packaging coffee products in for sale to cafés, restaurants and delicatessens under the trade mark VITTORIA.

58 Mr Creswick gives evidence that in the 1980s, after trading in pure coffee under the VITTORIA trade mark for over 20 years, Cantarella commenced selling pure coffee in the Australian grocery market, making it one of the first businesses to offer pure coffee for sale through the grocery channel. Cantarella’s strategy for marketing pure coffee through the grocery channel in Australia involved utilising the reputation it had built up through its sales of pure coffee through the café, restaurant and delicatessen channels, encouraging existing customers of VITTORIA coffee to bring home the pure coffee they had previously experienced in these venues.

59 When VITTORIA was launched in the grocery channel, Cantarella continued to promote the coffee sold under this mark as being a high-quality coffee product with a refined taste, the focus on quality being a point of distinction from the instant coffee that was commonly sold through the grocery channel at the time. Mr Creswick gives evidence that Cantarella now markets and sells coffee under a number of brands, including MOTHERSKY and WILL&CO, which are directed at the growing connoisseur aspect of the Australian coffee market.

60 Mr Creswick explains that with the exception of the AURORA brand, the coffee sold by Cantarella under each of its brands is pure coffee, in bean, ground or more recently capsule form. All of the pure coffee sold by Cantarella in Australia is sourced from high quality local and international sources, and is roasted and blended using sophisticated equipment at Cantarella’s factory in Silverwater, Sydney. He states that this practice of using coffee beans from high-quality sources and sophisticated manufacturing equipment is now expected amongst pure coffee manufacturers if they are to be successful in the pure coffee market Australia.

## Origin of “MOTHERSKY” name

61 Mr Creswick gave evidence that the name MOTHERSKY was suggested by two contractors who had been engaged by Cantarella to work on developing a boutique coffee brand with an Australian focus. One of the contractors, Mr Greg Mullins, was a member of a band that had a blog called “motherskyrecords” that showed posts as early as 2010. The band subsequently released a single under a “Mother Sky Records” label.

## Distribution channels for MOTHER energy drinks

62 Mr Thiele gives evidence that MOTHER energy drinks have been distributed throughout Australia, since before the MOTHERSKY Priority Date, including to supermarkets, retail chains such as Target and Kmart, convenience stores and service stations, restaurants, bars and pubs, liquor outlets, vending machines, universities and TAFEs, cinemas, and food service and independent stores, such as food courts, general stores, bakeries and pharmacies.

63 Mr Thiele also gives evidence that MOTHER energy drinks are available on tap in some pubs in metropolitan cities in Australia.

64 Since at least June 2015, MOTHER energy drinks have also been distributed to a large range of cafés, bars and takeaway food outlets.

## Advertising, marketing and promotion of MOTHER energy drinks

65 Mr Thiele gives evidence that since the launch of the original MOTHER energy drink in 2007, the MOTHER brand has been the subject of extensive advertising, marketing and promotion. This has included television commercials, radio advertisements, sponsorship of events, print advertisements, point of sale material, outdoor advertising (such as on bill boards, bus stops and on buses) and promotional campaigns (including partnerships, competitions and giveaways, often in association with radio broadcasters, popular websites or video games).

66 Mr Kelly gives evidence that between 2015 and 2019, EB spent a significant amount on advertising, marketing and promotion of its MOTHER energy drinks in Australia.

67 Mr Thiele gives evidence that EB’s promotional strategy since 2015 has focussed heavily on sponsorship, advertising via its website and other social media pages, in-store promotions and point of sale materials. An example of EB’s promotions on social media provided by Mr Thiele is reproduced below:



68 Mr Thiele states that this strategy was adopted because indirect forms of advertising such as sponsorship and product placement were seen as instrumental in reaching EB’s target audience of 18 to 34 year olds. It was also designed to enable EB to take advantage of unsolicited press coverage at live events, and to engage more directly with its consumers.

## Brand pillars for MOTHER energy drinks

69 Mr Thiele gives evidence that EB’s “brand pillars” for the MOTHER brand are music and adventure. He explains that in support of these pillars, EB sponsors music festivals in Australia with consequential promotion of the MOTHER brand in various ways. These include providing entertainment within the event, such as a MOTHER branded “ball pit” and photo booth, selling MOTHER energy drinks (often as the exclusive energy drink supplier for the festival), sampling MOTHER energy drinks at the music festival and nearby towns in the lead up to the event, and sponsorships or collaborations with the festival artists, local artists and bloggers (as demonstrated in the social media image above). He states that in the lead-up to a festival, EB runs competitions in conjunction with supermarkets and selected retailers and prepares point of sale material to be distributed across convenience stores, petrol stations and grocery stores located near the festival precinct.

## MOTHER energy drinks brand image

70 Mr Thiele gives evidence that the image EB’s advertising, marketing and promotional activities conveys is that the MOTHER energy drink is “a high energy and rebellious product”. He states that the taglines adopted by the brand reflect this image by emphasising the contents of the products that give energy to the consumer. He refers to a number of examples: HIGH CAFFEINE CONTENT; NATURAL CAFFEINE, ACAI: GUARANA: CAFFEINE: GINSENG; and LEMON LIME FLAVOUR WITH CAFFEINE, TEA & YERBA MATE. Further, he states that this image appeals to consumers who desire an energy “hit” during their day and provides the following examples: 100% NATURAL ENERGY; MOTHER OF AN ENERGY HIT; MOTHER OF AN ENERGY KICK; HEAPS OF ENERGY; BIG SHOT; EXTRA ENERGY; DOUBLE GUARANA & TAURINE; and MOTHER REVIVE.

71 Mr Thiele gives evidence that he had discussions with EB’s marketing directors and regulatory team about the packaging and reference to caffeine content on the can. When asked about the words “HIGH CAFFEINE CONTENT” featured prominently on the MOTHER cans, Mr Thiele said EB “had no obligation to have that on the front of the can” and the intent of the words is, to his understanding, to “market to our consumers because they like high caffeine content”.

## Promotion of MOTHER energy drinks on social media accounts

72 Mr Thiele gives evidence that EB has promoted the MOTHER brand heavily in Australia on dedicated MOTHER branded social media accounts. He states that fans and/or followers of those pages are exposed to and engage with the content posted by EB. These include:

(a) the MOTHER Facebook page, which is locally controlled in Australia with a “brief approval process” in the United States. This page has been in operation since 2008 and had over 120,000 followers as at May 2020;

(b) the MOTHER YouTube page, launched in 2008. The videos posted to this account regularly receive over 10,000 (and in some cases, 100,000) views; and

(c) the MOTHER Instagram page. This page has been registered since 2017 and had over 3,500 followers as at May 2020.

## MOTHER-derivative marks and taglines

73 The MOTHER brand is promoted by using the word MOTHER in conjunction with other words. For example, each of EB’s MOTHER products (as identified at [95] below) has a different name, which adopts the form of “MOTHER + [additional word or words]”.

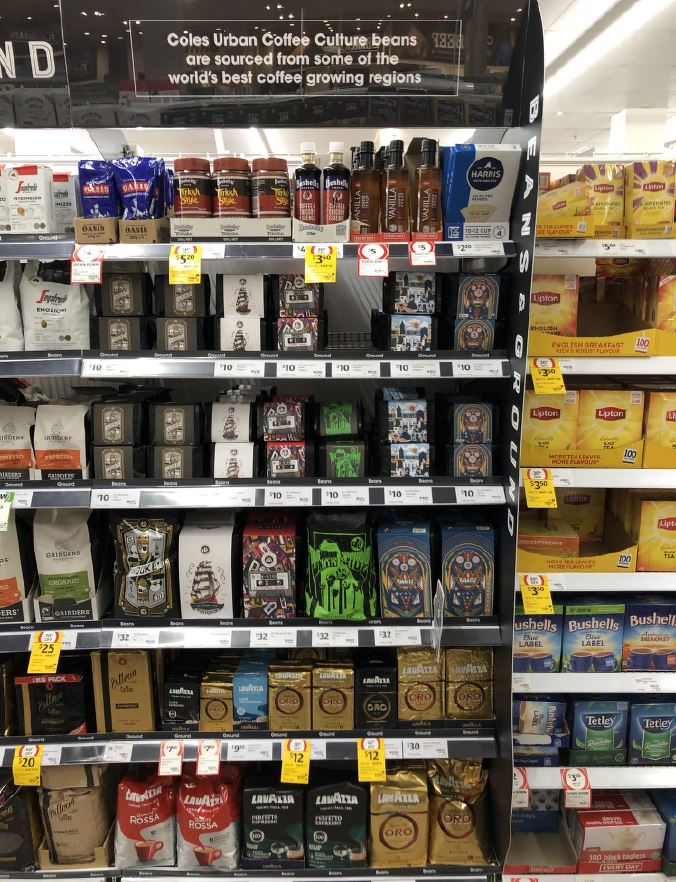
74 In addition to product names, EB promotes the MOTHER brand using taglines and slogans, which include the word “MOTHER” in conjunction with other words. For example: MOTHER 100% NATURAL ENERGY (2007); MOTHER: A FORCE OF NATURE (2007); MOTHER OF AN ENERGY KICK (2009 to 2010); MOTHER OF AN ENERGY HIT (2009 to 2013); MOTHERLAND (2010 to 2013); MOTHERLAND IT’S A RUSH (2010); MOTHER MAIDENS (2012); MOTHER MADE ME DO IT (2012); MOTHER SAYS… (2016 to 2017); and MOTHER OF A FESTIVAL (2018).

75 Mr Thiele gives evidence that the strategy of using MOTHER-derivative marks and taglines creates more exposure and increases the reputation and recognition of the MOTHER brand, by creating opportunities to use the MOTHER marks across all of EB’s advertising, marketing and promotional activities.

## Display and sale of energy drinks and other beverages, particularly coffee

76 Mr Creswick gives evidence that energy drinks are sold in pre-packaged cans or bottles, and are displayed in refrigerated units or shelves. He further gives evidence that to the extent there is any evidence of energy drinks being sold for consumption at particular venues (such as bars), the evidence is consistent that the marketing similarly emphasises “energy” over all other attributes.

77 Mr Creswick gives evidence that Cantarella’s coffee products are sold in the same aisles and alongside other coffee products sold by competing brands. He states that they are not sold in close proximity to any pre-packaged and ready to drink (**RTD**) coffee products, such as “iced coffee” flavoured milk, or other RTD beverages such as soft drinks or energy drinks. He annexed to his affidavit copies of photographs taken by Cantarella’s merchandising sales team showing how Cantarella’s VITTORIA pure coffee branded products are displayed on supermarket shelves, an example of which is reproduced below:



78 Mr Thiele annexes to his first affidavit copies of photographs showing how MOTHER energy drinks are typically displayed for sale, an example of which is reproduced below:



## Sale of coffee and tea flavoured energy drinks

79 Mr Thiele and Ms Maartensz give evidence that beverage companies, including Monster, have already sold coffee- or tea-flavoured energy drinks in Australia from time to time since 2008, including:

(a) X-PRESSO MONSTER (2010), a dairy based coffee and energy drink;

(b) MONSTER REHAB TEA + ENERGY (2012 to 2014), a non-carbonated energy drink with electrolytes, flavours including “TEA + LEMONADE + ENERGY” and “PEACH TEA + ENERGY”);

(c) V ICED COFFEE (2010 to present), an iced coffee product available in the flavour “DOUBLE ESPRESSO + GUARANA ENERGY”;

(d) MUZZ BUZZ “BIG BUZZ” (2012 to 2015), an energy drink sold by Australian drive-through café chain, Muzz Buzz; and

(e) ICE BREAK LOADED (2008), an iced coffee product containing “a hit of guarana”.

80 Mr Thiele gives evidence that as part of its product innovation strategy, EB (and TCCC) has sold tea based energy drinks in Australia, including MOTHER REVIVE (2014 to 2016), a product which combined energy drink with tea and yerba mate, and MOTHER EXTREME TEA + ENERGY (2013), an “energy tea” sold in partnership with Chatime Australia.

## Energy drinks as an alternative to coffee

81 Mr Thiele and Ms Maartensz give evidence of examples of energy drinks in Australia positioning themselves as an alternative to coffee. They point to the following examples:

(a) a post to the MOTHER Facebook page dated 31 March 2014: “When you see those chumps waiting in line for their Monday coffee… and you’ve already had your morning MOTHER”;

(b) a post to the MOTHER Facebook page dated 13 April 2015: “Move over coffee, this is a job for MOTHER. Who has a case of #mondayitis?”; and

(c) a post to the V Energy Drink Australia Facebook page dated 20 August 2012: “Screw coffee, grab a V!”.

82 Mr Thiele conceded in cross-examination that the caffeine in MOTHER energy drinks is synthetic, synthetic caffeine has a higher rate of absorption than naturally occurring caffeine, and none of EB’s current or former products are advertised as having a coffee flavour.

## Competitive landscape for energy drinks in the United States

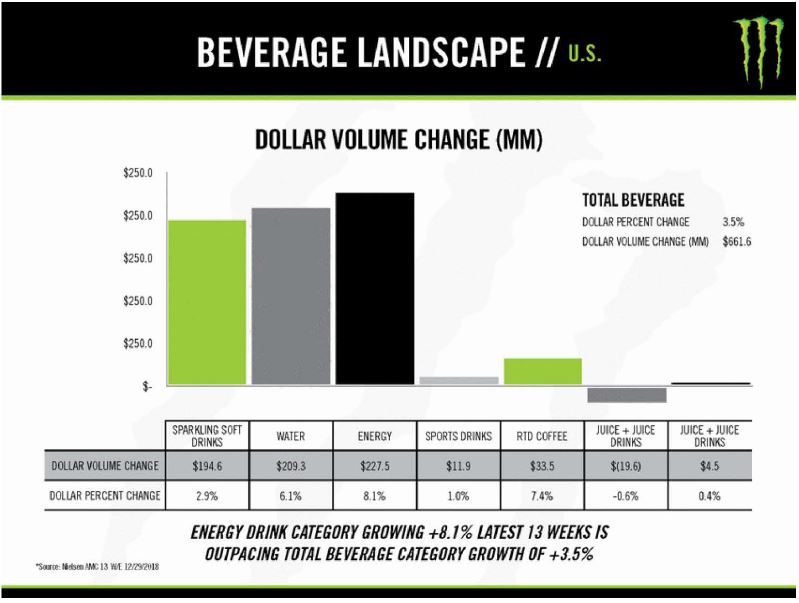
83 Mr Kelly exhibits to his affidavit extracts of Monster’s annual reports and other SEC filings between 2007 and 2020 (**Monster US SEC filings**) in which references are made to the product offering and competitors of Monster and EB. Those extracts include references to “Caffé Monster® Energy Coffee Drinks” said to be “a line of non-carbonated, 100% Arabica coffee, reduced fat, dairy based energy coffee drinks”, and “Espresso Monster Espresso + Energy Drinks” said to be “a line of non-carbonated dairy based espresso + energy drinks” within what is described as the “Monster Energy Drinks” segment. The Monster Form 10-K SEC filing for the financial year ended 31 December 2019 records:

Our Java Monster®, Espresso Monster® and Caffé Monster® product lines compete directly with Starbucks Frappuccino, Starbucks Doubleshot, Starbucks Doubleshot Energy Plus Coffee, Starbucks Tripleshot and other Starbucks coffee drinks, Costa Coffee, Rockstar Roasted, Dunkin Donuts, Gold Peak, Stok, High Brew, McCafé, hi\*ball, Douwe Egberts Coffee, Emmi CAFFÈ, Bang Keto Coffee, Nescafe and International Delight.

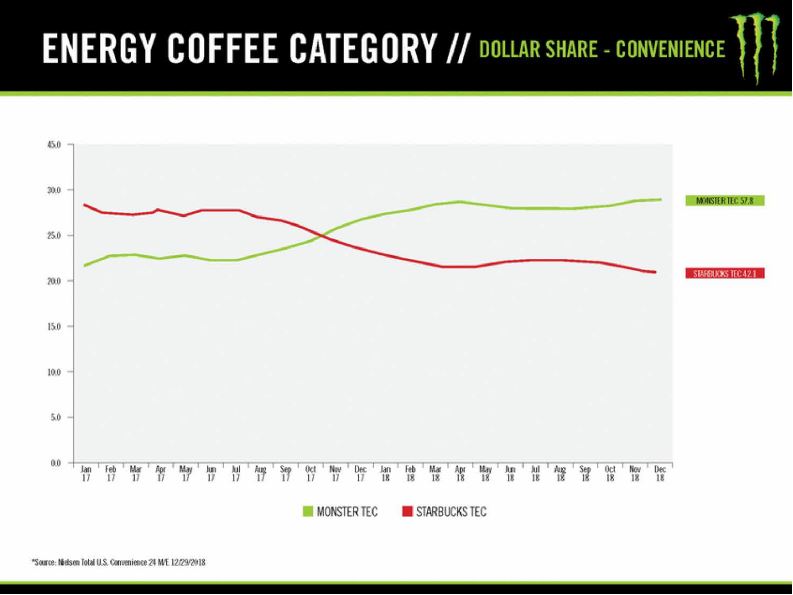
84 The Monster Form 8-K SEC filing dated 17 January 2019 (**Form 8-K SEC Filing**) contained the following “Industry Overview”:

The “alternative” beverage category combines non-carbonated, ready-to-drink iced teas, lemonades, juice cocktails, single-serve juices and fruit beverages, ready-to-drink dairy and coffee drinks, energy drinks, sports drinks and single-serve still waters (flavored, unflavored and enhanced) with “new age” beverages, including sodas that are considered natural, sparkling juices and flavored sparkling beverages. According to Beverage Marketing Corporation, domestic U.S. wholesale sales in 2018 for the “alternative” beverage category of the market are estimated at approximately $55.5 billion, representing an increase of approximately 6.7% over estimated domestic U.S. wholesale sales in 2017 of approximately $52.0 billion.

85 The Form 8-K SEC Filing included a series of charts illustrating market shares of the “Beverage Landscape” and “Brand Performance” within that landscape by reference to “TOTAL U.S. - CONVENIENCE SNAPSHOT”. The “Beverage Landscape” slide included “RTD COFFEE”:

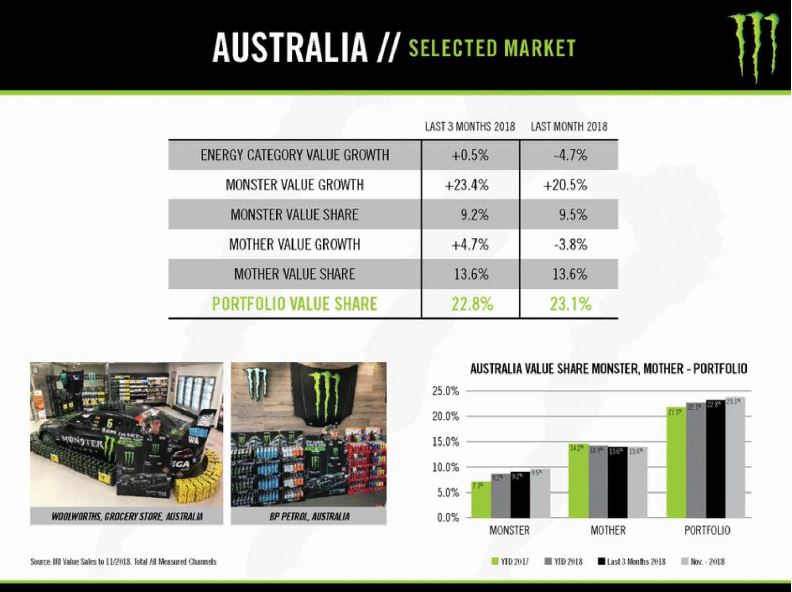


86 The Form 8-K SEC Filing included the following slide showing market shares of the “ENERGY COFFEE CATEGORY”:



## Competitive landscape for energy drinks in Australia

87 The Form 8-K SEC Filing also included the following slide entitled “AUSTRALIA//SELECTED MARKET”:



88 Ms Maartensz gives evidence that on 15 April 2020 she conducted trade mark searches of the Register and found a number of examples of energy drink companies in Australia filing for trade mark coverage in respect of “coffee” and “chocolate”. Similarly, she gives evidence that she found a number of examples of coffee beverage manufacturers in Australia filing for trade mark coverage in respect of “energy drinks”.

89 In the February/March 2020 edition of the “Convenience and Impulse Retailing” magazine, published by C&I Media Pty Ltd, exhibited to the affidavit of Mr Thiele, there is an article entitled “Bundle of Energy” that analyses the “evergreen energy drinks segment” including data from the most recent State of the Industry Report from the Australasian Association of Convenience Stores. It states:

Energy is dominated by major players such as Red Bull, Frucor Suntory with its V and Rockstar brands, and by the Monster Energy Company (MEC) which owns both the Monster Energy and Mother Energy brands, which are distributed through a long-term partnership with Coca-Cola Amatil in Australia. From a combined portfolio perspective MEC brands account for approximately one third of energy drink sales in Australia.

90 Mr Thiele gives evidence about the existence of an Australian energy drinks market in which the principal competitors are MOTHER, Monster, Red Bull and V.

## Competitive landscape for coffee in Australia

91 As a result of his experience in the coffee industry in both the United States and Australia, Mr Creswick gives evidence that the markets for coffee in Australia and the United States are fundamentally different. He explains that Cantarella sells a higher ratio of pre-ground filter style coffee in the United States than in Australia due to demand from large hospitality venues. In contrast, equivalent venues in Australia commonly sell roasted whole beans.

92 Mr Creswick also gives evidence that the closure by Starbucks of the majority of its retail outlets in Australia also emphasised the extent to which Australia had developed a sophisticated café culture with a focus on quality, and Australian consumers expected a more refined taste than was present in the products offered by Starbucks.

93 Mr Creswick gives evidence that the only Nielsen competitor and market reports that Cantarella subscribes to are those directed solely at the pure coffee market. The reports do not include any data relating to RTD or pre-packaged coffee drinks, energy drinks or instant coffee products.

## Product innovation for MOTHER energy drinks

94 Mr Thiele gives evidence that product innovation is a vital element for energy drink suppliers as a means of attracting and retaining customers, and for remaining competitive.

95 Mr Thiele gives evidence that TCCC, and subsequently EB, have launched a variety of sublines or variants of the original MOTHER energy product in Australia since 2010, including: MOTHER BIG SHOT; MOTHER LEMON BITE; MOTHER LOW CARB; MOTHER FROSTY BERRY; MOTHER SUGAR FREE; MOTHER BIG CHILL; MOTHER GREEN STORM; MOTHER SURGE ORANGE; MOTHER REVIVE; MOTHER KICKED APPLE; MOTHER PASSION; MOTHER TROPICAL BLAST; and MOTHER EPIC SWELL.

96 Mr Thiele gives evidence that EB’s product range will likely continue to evolve, and non-carbonated dairy based drinks, such as iced coffee and iced chocolate, are a key opportunity for expansion.

97 The Form 8-K SEC Filing included the following slide entitled “STRATEGIC BRANDS INNOVATION”:



## Recent EB Planning Documents

98 Mr Thiele gave the following evidence in the course of his cross examination by senior counsel for Cantarella, Mr Bannon SC, concerning the future intentions of EB in relation to the launch of new products in Australia:

Could you answer my – could you answer my question. You haven’t produced in evidence a single piece of paper to indicate any plan of Monster or Mother to introduce any single new product in this country, have you?---Not that I can recall, no. That’s not saying that they don’t exist, because we do have very thorough plans, and you know, maybe they’re not in evidence here, but we certainly have a lot of new products on the **short-term and long-term horizon** that are confirmed, so - - -

And if there was a plan in relation to any particular product in existence, it would have been a simple matter for you to include it in your affidavit, wouldn’t it?---I think, you know, since the time of writing - - -

It would have been a simple matter for you to include it in your affidavit, wouldn’t it?

[Objection to question overruled.]

HIS HONOUR: Sorry. I – please continue to answer. Yes?---Yes. This was completed in May 2020, and our innovation plans have moved quite substantially since that time, and so, you know, a year is a long time in the beverage industry and we have, you know, quite a lot of plans confirmed in between. I mean, this is a product we pulled off the production line last week that’s a new Mother product that will be out in August this year, a sugar-free raspberry flavour. **We’ve got, you know, coffee drinks on the horizon for both Monster and Mother.** We have a multitude of different products coming in. We’ve got a mango-flavoured sugar-free Monster coming in in August as well as the Mother. We’ve got a brand refresh of the Mother sugar-free original flavour to – to give clearer sugar-free cues around the colour of the packaging. So we’re always looking at things, but things evolve pretty quickly and, you know, a year is a long time in the beverage industry since this was written at that time as well.

MR BANNON: If there was a single plan to produce any new product in Australia which is relevant to this case, it will be in a document, firstly; do you agree?---I mean, I can only speak for the plans we’ve got. But yes, I mean, there is documentation of all of those things - - -

And if it - - -?--- - - - in some form.

If it existed, it would have been a simple matter for you to produce it for the purposes of this case, wouldn’t it?---Yes, sure.

What I want to suggest to you is that the company has produced such evidence as it’s able to produce to evidence any plans to introduce any product relevant for the purposes of this case; do you agree?---Yes.

[Emphasis added.]

99 EB sought to rely on the Recent EB Planning Documents to evidence the existence of such plans, including with respect to plans for “coffee drinks on the horizon”. Given their commercial sensitivity, suppression orders were made over the content of the Recent EB Planning Documents. I address the relevance of the Recent EB Planning Documents at [34(c)] above.

## Sale of energy drinks and coffee products

100 Mr Thiele gives evidence that MOTHER energy drinks are sold in convenience stores like 7-Eleven, and that freshly ground coffee is also sold in 7-Eleven stores.

101 Mr Creswick accepted in the course of his cross examination that at least one stockist of MOTHERSKY coffee, the Beans & Barrels café in Parramatta, New South Wales, sells a range of beverages including coffee, iced coffee, milkshakes, protein shakes, and energy drinks.

102 Ms Maartensz gives evidence that she visited two service stations and three supermarkets in the period 14 April 2020 to 7 May 2020. She exhibits photographs taken during those visits to her affidavit. One photograph taken at a petrol station energy shows that drinks were located in the same fridge section as what appears to be two canned iced coffee products. Another photograph shows that a large quantity of iced coffee products were displayed in a separate, open fridge section, alongside milk products. In another petrol station, she observed a “Wild Bean” café counter in the petrol station where an attendant was brewing fresh coffee using an espresso machine. The photographs show largely products such as Gatorade and Powerade in one closed fridge, energy drinks in another fridge, and iced coffee products in another fridge.

103 Ms Maartensz also exhibits a photograph taken in a supermarket, in which two iced coffee products are in the same fridge as energy drinks, and another image in which iced coffee products are in a separate refrigerated unit, located next to what appears to be a check-out area, next to a refrigerated unit containing energy drinks. She exhibits another photograph that was taken in the same supermarket of energy drinks of various brands shelved in a non-refrigerated section.

104 She also exhibits photographs taken at a different supermarket in which energy drinks are in a non-refrigerated section, iced coffee products are in a refrigerated section, and in a refrigerated unit next to what appears to be a check-out area, there are energy drinks shelved next to three iced coffee products.

105 At the final supermarket, she exhibits a photograph showing two refrigerated units next to one another: one unit containing energy drinks and water, and the other containing, among other products, iced coffee products and iced tea products.

106 Mr Creswick gives evidence that, in his experience, Cantarella’s pure coffee products sold in major supermarket chains and retail grocery stores are sold in particular aisles and mostly alongside other competitors’ pure coffee products. He gives evidence that in his experience they are not sold in the same aisle as iced coffee milk drinks (such as Dare Iced Coffee) or energy drinks (such as Red Bull or MOTHER drinks); rather, energy drinks are generally sold in refrigerated units near the check-out or in aisles dedicated to pre-packaged beverages such as soft drinks and bottled water.

## Marketing of energy drinks and coffee products

107 Ms Maartensz gives evidence that the RTD coffee brands Ice Break, Oak, Dare Iced Coffee and Barista Bros employ advertising and promotional strategies similar to those identified above in relation to MOTHER energy drinks, including sampling, promotions, sponsorships and partnerships with video games.

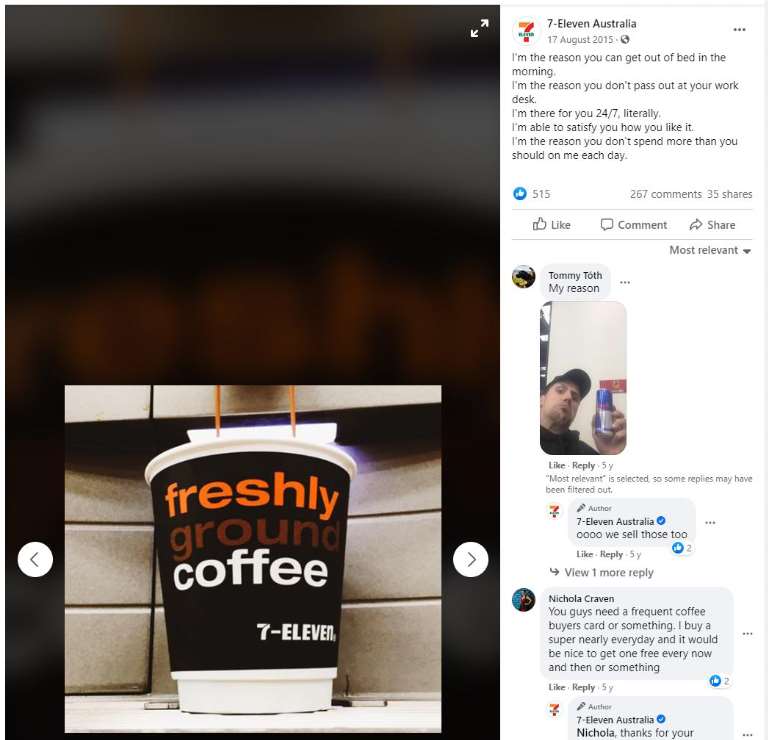
108 Mr Creswick gives evidence that pure coffee is sold using distinct sales approaches and channels, being sold as an ingredient to be transformed into a beverage, often by a professional barista. He further gives evidence that pure coffee is sold using a particular marketing emphasis; primarily, the quality of the coffee bean and taste. Mr Creswick gives evidence that energy drinks are marketed by reference to their effect, providing energy, with the utility of that quality consistently emphasised.

109 Mr Kelly gives evidence that energy drinks are produced by the preparation of “concentrates” and/or “beverage bases” that are then provided to bottling and canning operations, which combine the concentrates and/or bases with sweeteners, water and other ingredients to produce RTD packaged energy drinks. Mr Thiele gives evidence that energy drinks typically have a sweet and fruity flavour profile.

110 Mr Creswick accepted that pure coffee and RTD coffee can be sweetened by the addition of sugar or sweeteners, and that coffee drinkers add sugar to their coffee in order to meet their taste preferences. He also accepted that some blends of coffee, including MOTHERSKY coffee, may be perceived by coffee drinkers as sweet, and/or as having characteristics of fruit flavours.

111 Mr Thiele acknowledges that sugar is an important aspect of energy drinks, but that the sugar is present “mostly for taste”. Mr Thiele gives evidence that other ingredients in energy drinks, the amount of kilojoules of which are listed on the back of the product, may be described as a type of “energy”. Mr Creswick accepted that coffee marketing refers to coffee as a “pick me up” in the sense that caffeine revives the drinker and makes them feel more “energised”

112 In a 7-Eleven Facebook post dated 17 August 2015, exhibited to Ms Goonawardena’s affidavit, that is reproduced below, 7-Eleven’s freshly ground coffee is advertised as “the reason you can get out of bed in the morning”. In response to this post, a user has commented with a “selfie” with a Red Bull energy drink, captioned “My reason”. 7-Eleven responds, “oooo we sell those too”.



113 Mr Creswick accepted that:

(a) the stimulating benefits of caffeine are regularly invoked in the marketing of coffee in Australia, and that this is a functional benefit for coffee drinkers;

(b) coffee is often advertised as a pick-me-up;

(c) there are references in coffee marketing, including in the advertisements of some of Cantarella’s own coffee brands and competitor brands, to coffee serving the functional purposes of providing sustenance or energy and reviving the drinker, including to “refuel”, “powering your day”, and “get through a big day”;

(d) coffee is often used as a means of delivering caffeine to the drinker;

(e) the stimulant effects of caffeine in coffee acts as a pick-me-up to help you to wake up, to stay focussed, to improve productivity, to “keep you going”, or to feel more energised;

(f) there are references in coffee marketing which invoke a link between coffee and energy drinks;

(g) a consumer would not be taken by surprise to see coffee marketed with a direct or indirect reference to the stimulant effects of caffeine; and

(h) the marketing of coffee in Australia regularly picks up the stimulant qualities of caffeine.

114 Mr Creswick also accepted that the stimulating effects of caffeine in coffee “helps one get going the morning” and “it is a selling benefit that is promoted” but emphasised that:

It’s not the main selling benefit of coffee in the experience of coffee that we promote and that I see generally. A lot of it is about taste and flavour and the experience of having a coffee as opposed to the – the simple delivery of energy or stimulation.

**Interface between pure coffee and other products**

115 Mr Creswick gives evidence that pure coffee products are produced using particular manufacturing processes (roasting and in some cases grinding of coffee beans, and packaging of beans), and that pure coffee is commonly consumed in a “dining” environment such as a café or restaurant in which the consumption experience is emphasised.

## Scope of use of Cantarella’s pure coffee brands

116 Mr Creswick gives evidence that Cantarella’s “pure coffee” brand VITTORIA is also used in relation to biscuits and drinking chocolate.

117 Ms Goonawardena gives evidence that it is also used for mineral water, iced tea, Italian soda, fruit nectars, cheese, confectionary, hazelnut spread, oil, vinegar, wine, tea, pasta and gelato under the VITTORIA or SANTA VITTORIA sub-brands.

118 Mr Creswick gives evidence that Cantarella’s “pure coffee” brand AURORA is also used in relation to instant coffee, tea, olive oil, vinegar and Italian cheese, and Ms Goonawardena gives evidence that it is also used for pasta.

119 Mr Creswick and Ms Goonawardena give evidence that Cantarella’s “pure coffee” brand DELTA is also used in relation to cooking oils.

120 Mr Creswick gives evidence that Cantarella’s “pure coffee” brand WILL&CO is also used in relation to beer (although he notes that this was part of a co-branding partnership with a third party, and the product was marketed and sold by that third-party), and Ms Goonawardena gives evidence that it is also used for drinking chocolate and RTD cold brew and iced coffee products:





121 Ms Goonawardena gives evidence that the CAMPOS COFFEE brand, Cantarella’s competitor, is used in relation to several “extended” products, including:

(a) an RTD “iced latte” product;

(b) an RTD “cold press” product, with or without milk;

(c) a “tiramasu white stout” beer, in collaboration with Young Henry’s Brewery;

(d) a “Campos Cascara Gin” product, in collaboration with Melbourne Moonshine;

(e) a “Campos Espresso Martini” product; and

(f) a coffee liqueur product, in collaboration with Mr Black Spirits.

122 Ms Goonawardena also gives evidence that Pablo & Rusty’s branding is used in relation to “extended” products, including a “Nitro” canned coffee product as shown below:



## MOTHERLAND marketing campaign

123 Mr Thiele gives evidence that the MOTHERLAND campaign was run by TCCC in 2010 and 2011. He explains that MOTHERLAND refers to a fictional fantasyland tailored to MOTHER-drinking consumers. He gives evidence that a significant component of that campaign was the “MOTHERLAND” commercial (**MOTHERLAND commercial**) which was broadcast in various iterations on free-to-air television in 2010, including as a full length version (45-second) version and a shorter (30-second) version. He states that an even shorter (15-second) “Demolition Dodgem” version was posted to the MOTHER YouTube page.

124 Ms Maartensz gives evidence that as at 30 March 2021, the videos of the MOTHERLAND commercial remained on the MOTHER YouTube and Facebook pages. She states that the MOTHERLAND mark is used visually and aurally. Set out below is a screenshot from the MOTHERLAND commercial dated 30 March 2021:



125 Mr Thiele gives evidence that the MOTHERLAND campaign also involved other forms of advertising, including: print advertisements; online advertising on websites such as TV.com, Gamespot.au, NRL.com, bigpond.com, MySpace and Ninemsn; social media advertising, including numerous references to MOTHERLAND in posts and user comments on the MOTHER Facebook page, and in sponsored posts; downloadable “wallpapers”; point of sale materials; and competitions and cross-promotions, including a promotion (in partnership with 2Day FM and Triple M) to win $5,000 and visit “Motherland”.

126 Ms Maartensz gives evidence that many of the above examples, including the MOTHERLAND commercial and various social media posts, remain accessible, at least as at 6 April 2021. She also gives evidence that the phrase “Welcome to MOTHERland!” is in the description that appears in the “About” tab of the MOTHER YouTube Page, at least as at 11 March 2020.

127 Mr Simonetti gives expert evidence that content, including videos, posted to a Facebook page or on YouTube remains there unless and until manually removed or hidden by the user or the person with administration rights for the page. Mr Simonetti also gives evidence that the default settings on Facebook and You Tube are, respectively, “Everyone” and “Public”, meaning that the content is publicly available.

128 Mr Thiele gives evidence that the brand equity built in the MOTHERLAND campaign remains valuable to EB and that consumers still connect the MOTHERLAND mark to the MOTHER brand. Mr Thiele also gives evidence that the MOTHERLAND mark lends itself to EB’s current marketing strategies and is a mark that could be deployed by EB in the future, for example, as part of EB’s online presence or at music festivals.

## MOTHER-derivative trade marks

129 Ms Stacey gives evidence that on 5 August 2020 she conducted searches of registered and pending trade marks on the Register containing the word “MOTHER, either as a standalone word or as a MOTHER-derivative, in the course of which she had located:

(a) 15 results in class 30 in which “coffee” was listed, of which 12 results were not owned by either Cantarella or EB, of which eight were on the Register at the time of the MOTHERSKY Priority Date;

(b) 17 results in all classes in which “coffee” was listed, of which 14 results were not owned by either Cantarella or EB, of which nine were on the Register at the time of the MOTHERSKY Priority Date;

(c) 35 results in class 30, of which 32 results were not owned by either Cantarella or EB, of which 20 were on the Register at the time of the MOTHERSKY Priority Date; and

(d) 104 results in class 30 and its associated classes, of which 99 results were not owned by either Cantarella or EB, of which 64 were on the Register at the time of the MOTHERSKY Priority Date.

130 Ms Stacey annexed copies of the trade marks that she had identified as a result of her searches of the Register to her affidavit affirmed on 12 August 2020 (**Stacey affidavit**).

131 Ms Goonawardena gives evidence that she had reviewed the results of the trade mark searches undertaken by Ms Stacey and concluded that 21 of the 105 trade marks annexed to the Stacey affidavit were in respect of “beverage and confectionary” products and that these 21 trade marks were registered to only 13 different traders. She also stated that she had found no evidence from searches of the internet that any of the 13 traders had, in fact, used those marks in respect of coffee or chocolate products.

132 Ms Goonawardena also gives evidence that only 30 of the 105 trade marks annexed to the Stacey affidavit were in respect of “any type of beverage”. Ms Goonawardena states that she had found evidence from her internet searches that only one of the trade marks had been used for “beverages” and that was with respect to an apple cider vinegar product.

133 The registered trade mark “Mother Earth” has been in use in Australia since prior to 2017. Prolife Foods Ltd is the owner of the Mother Earth mark. Ms Goonawardena gives evidence that the Prolife Foods website records on its “Our Brands” page:

The brand started on Waiheke Island, close to Auckland, New Zealand … In 1973, the product range comprised just health baked loaves. Mother Earth joined Prolife Foods in 2008 and has grown exponentially since …

134 The registered trade mark “Mother’s Choice” has also been in use in Australia since prior to 2017. Mother’s Choice Flour was advertised in the Australian Women’s Weekly as early as June 1935 and is now listed as a Goodman Fielder brand on its website under “Australia”.

135 In addition, the registered trade mark owned by Scott Anderson “Don’t Mess With Mother Nature” has been in use in Australia since prior to 2017. The website www.organicwine.com.au, exhibited in the affidavit of Ms Goonawardena, states that “Don’t Mess With Mother Nature” is a business name for a winery that was established in 1999, with the first vintage of wines produced in 2005.

136 The evidence is less compelling that other MOTHER-derivative registered trade marks relied upon by Cantarella in their submissions were used prior to 2017 such as Mother Meg’s, Mothers Milkbank and Mother’s Kitchen. I accept that each is currently used but I am not persuaded that I can find on the evidence before me that each was used prior to 2017.

# MARKET ISSUES AND EB’S REPUTATION IN MOTHER

137 Prior to considering the particular causes of action relied upon by EB in these appeals it is convenient to address the following overarching propositions advanced by EB and Cantarella in support of their respective positions.

## EB submissions

138 The submissions advanced by EB in these appeals are based on two fundamental propositions. *First*, there is a material interface between energy drinks and other beverages, including coffee, and a material interface between pure coffee and other products. *Second*, there is a significant overlap in the marketing and sale of energy drinks and other beverages, including pure coffee.

139 EB advances the following principal contentions in support of these two propositions:

(a) product innovation is a vital element for energy drink suppliers to remain competitive;

(b) beverage companies, including Monster, have already sold coffee or tea flavoured energy drinks in Australia;

(c) energy drink companies often position themselves as a direct alternative to coffee;

(d) energy drink companies, such as Monster, consider coffee drink companies to be direct competitors;

(e) energy drink companies routinely file for trade mark coverage for “coffee” and “chocolate” and coffee beverage manufacturers routinely file for trade mark coverage for “energy drinks”;

(f) Cantarella’s coffee products are sold through similar trade channels to energy drinks;

(g) energy drinks, cold brew coffee products, iced coffee products and iced tea products are sold side-by-side in fridges at supermarkets, convenience stores and service stations;

(h) many RTD coffee brands employ advertising and promotional strategies similar to those used for MOTHER energy drinks;

(i) the notion of energy in energy drinks is not limited to their high sugar content;

(j) coffee companies regularly emphasise the functional nature of coffee such as providing a “pick me up”, “wake me up”, “ a recharge” or “energy”; and

(k) brands that sell “pure coffee” do not limit themselves to “pure coffee” products only.

## Cantarella submissions

140 Cantarella submits that the evidence incontrovertibly demonstrates two crucial matters that are largely determinative of the appeals. *First*, the markets for energy drinks and pure coffee are separate and distinct. *Second*, EB has a reputation in its MOTHER mark (with its distinctive gothic script) that is narrowly confined to the energy drink market.

141 Cantarella refers to the following characterisation of the market in which energy drinks are supplied that was determined by Yates J in *Frucor Beverages Limited v The Coca-Cola Company* (2018) 358 ALR 336; [2018] FCA 993 (***Frucor***) at [36]:

Energy drinks are a type of non-alcoholic beverage containing caffeine and other stimulant ingredients, such as guarana, taurine and ginseng. Energy drinks are marketed to consumers on the basis of their mental and physical stimulatory effects, arising from their ingredients. Energy drinks are accepted in the beverage industry as a separate and distinct category of non-alcoholic drink.

142 Cantarella also refers to the following finding by Yates J in *Frucor* at [48]:

Energy drinks are presented to the public as a stand-alone drinks category. Petrol and convenience stores use “destination doors” to communicate product location.

143 Cantarella submits that the evidence advanced by EB in these proceedings, much of which I have outlined above in the Evidentiary Background, is consistent with the findings made by Yates J in *Frucor*.

## Consideration

144 The characterisation of the markets in which goods and services are supplied can arise in the context of trade mark disputes, particularly in addressing reputation and the likelihood of deception or confusion. See by way of example: *Dunlop Aircraft Tyres Limited v Goodyear Tire and Rubber Company* (2018) 262 FCR 76; [2018] FCA 1014 at [15], [53]-[55], [139], [193] and [198] (Nicholas J); *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* (2017) 251 FCR 379; [2017] FCAFC 83 at [65], [74], [82] and [89] (Greenwood, Jagot and Beach JJ); *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (2021) 393 ALR 595; [2021] FCAFC 163 at [43] (Jagot, Lee and Thawley JJ); *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* (2017) 124 IPR 264; [2017] FCAFC 56 (***Accor***) (Greenwood, Besanko and Katzmann JJ) at [339].

145 Neither EB nor Cantarella adduced any empirical economic evidence relevant to market definition. Rather, each sought to rely on largely impressionistic or qualitative evidence to support the respective contentions that each advanced on the markets in which energy drinks and coffee were sold. Necessarily, this demanded an evaluative consideration of the significance and weight to be given to the material relied upon by EB and Cantarella to establish those contentions.

146 As explained above, EB approached the market issue by seeking to establish the existence of what it described as a “material interface” between *first*, energy drinks and other products, including coffee, and *second*, between “pure coffee” and other products.

147 The effect of this approach was to introduce into the evaluation a very broad range of beverage products that sat between the MOTHER energy drinks sold by EB and the MOTHERSKY pure coffee products sold by Cantarella. These products included RTD beverages such as iced coffee, iced tea and cold brew coffee products sold in cans. The introduction of these “intermediate products” ultimately had a tendency to distract from, rather than assist in, the determination of the likelihood of deception or confusion and the extent of the reputation that EB had established in its MOTHER marks.

148 At times in the course of its submissions Cantarella sought to distinguish between “pure coffee” and “instant coffee”, but the principal distinction drawn by Cantarella and the subject of the most attention by the parties was the distinction between “pure coffee” and what might be described as “coffee flavoured milk” and other coffee flavoured RTD beverages. EB’s expansive taxonomical approach was to include such RTD products within the concept of coffee.

149 Moreover, the evidence adduced in the appeals and summarised in the Evidentiary Background provides only limited support for the material interface market contentions that EB seeks to advance for the following reasons.

150 *First*, the need for product innovation to remain competitive in the energy drink market cannot in itself give rise to an expectation on the part of consumers that EB could be expected to diversify its product offering to include MOTHER coffee beans and ground coffee. Rather, as illustrated by the Monster “Strategic Brands Innovation” slide in the Form 8-K SEC Filing reproduced at [97] above, consumers could expect diversification in the presentation, packaging and flavour of energy drinks rather than a diversification into products outside the RTD range of product offerings.

151 *Second,* the evidence relied upon by EB to establish that energy drink companies considered coffee drink companies to be direct competitors inlcluded the Monster US SEC filings. The Monster US SEC filings do not suggest, however, that energy drink companies identified their competitors as extending to pure coffee suppliers. The Monster US SEC filings, as explained in the Evidentiary Background, listed Monster’s competitors as including “dairy based energy coffee drinks” and “non-carbonated dairy based espresso + energy drinks”. The filings included an “Industry Overview” that described the industry as an “alternative” beverage category combining non-carbonated RTD drinks, including RTD dairy and coffee drinks, energy drinks, sports drinks and “single-serve” still waters with “new age” beverages.

152 The Monster US SEC filings included a graph of the “Beverage Landscape” in the United States broken down by segment, including “Sparking Soft Drinks”, “Water”, “Energy” and “RTD Coffee” with the notation that “ENERGY DRINK CATEGORY GROWING +8.1% LATEST 13 WEEKS IS OUTPACING TOTAL BEVERAGE CATEGORY GROWTH OF +3.5%”. The purpose of the graph is evidently to distinguish energy drinks from other segments of the “Beverage Landscape”.

153 The Monster US SEC filings also included a graph entitled “ENERGY COFFEE CATEGORY // DOLLAR SHARE - CONVENIENCE”. It depicted energy coffee sales of Monster and Starbucks.

154 The material in the Monster US SEC filings also extended to a slide entitled “AUSTRALIA // SELECTED MARKET”. The slide depicted photographs of Monster and MOTHER energy drinks for sale and otherwise recorded in a table and a graph growth in the “ENERGY CATEGORY” and fluctuations in sales and value share in that category by Monster and MOTHER.

155 Unlike the analysis of the competitive landscape in the United States, the Australian slide is concerned only with energy drinks. The limitation is significant and emphasises that the competitive landscape in Australia cannot be assumed to be materially the same as in the United States. This conclusion is reinforced by Mr Creswick’s evidence concerning the more refined focus in the Australian coffee market on roasted whole beans in contrast to the pre-ground filter style coffee popular in the United States, the experience of Starbucks in Australia and the description of the “evergreen energy drinks segment” in the February/March 2020 edition of the Convenience and Impulse Retailing magazine referred to above. These provide further reasons why the competitive landscape in the United States is of limited assistance for determining market and reputational issues in Australia.

156 I address below the specific market and reputational issues raised by EB and Cantarella in the course of addressing the matters relied upon by EB in these appeals. In summary, for the reasons that I develop below in the course of addressing the matters relied upon by EB in these appeals, I am not satisfied that energy drink companies “often” position themselves as a direct alternative to coffee. Nor am I satisfied that the fact that some coffee beverage manufacturers, other than Cantarella, may file for trade mark coverage for “energy drinks” is of any particular significance to the question of whether the use of the MOTHERSKY mark by Cantarella is likely to lead to consumers being deceived or confused.

157 It is sufficient to make the following general observations at this point. *First*, I am satisfied that the markets for coffee and RTD products, such as iced coffee, iced tea and cold brewed coffee sold in cans, are different. *Second*, I am not persuaded that there is any material interface between energy drinks and coffee or significant overlap between the marketing and sale of energy drinks and coffee. *Third*, I am not satisfied that the evidence adduced in the appeals establishes that the market in which energy drinks is supplied, at least in Australia, extends to other RTD products such as iced coffee, iced tea and cold brewed coffee sold in cans.

# LACK OF USE OR INTENTION TO USE

## Section 92(4) of the Act and relevant legal principles

158 Section 92(4) of the Act relevantly provides:

**92 Application for removal of trade mark from Register etc**.

(1) Subject to subsection (3), a person may apply to the Registrar to have a trade mark that is or may be registered removed from the Register.

…

(4) An application under subsection (1) or (3) (***non‑use application***) may be made on either or both of the following grounds, and on no other grounds:

(a) that, on the day on which the application for the registration of the trade mark was filed, the applicant for registration had no intention in good faith:

(i) to use the trade mark in Australia; or

(ii) to authorise the use of the trade mark in Australia; or

(iii) to assign the trade mark to a body corporate for use by the body corporate in Australia;

in relation to the goods and/or services to which the non‑use application relates and that the registered owner:

(iv) has not used the trade mark in Australia; or

(v) has not used the trade mark in good faith in Australia;

in relation to those goods and/or services at any time before the period of one month ending on the day on which the non‑use application is filed;

(b) that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non‑use application is filed, and, at no time during that period, the person who was then the registered owner:

(i) used the trade mark in Australia; or

(ii) used the trade mark in good faith in Australia;

in relation to the goods and/or services to which the application relates.

159 Section 7 of the Act provides that:

(1) If the Registrar or a prescribed court, having regard to the circumstances of a particular case, thinks fit, the Registrar or the court may decide that a person has used a trade mark if it is established that the person has used the trade mark with additions or alterations that do not substantially affect the identity of the trade mark.

Note: For ***prescribed court*** see section 190.

(2) To avoid any doubt, it is stated that, if a trade mark consists of the following, or any combination of the following, namely, any letter, word, name or numeral, any aural representation of the trade mark is, for the purposes of this Act, a use of the trade mark.

(3) An authorised use of a trade mark by a person (see section 8) is taken, for the purposes of this Act, to be a use of the trade mark by the owner of the trade mark.

(4) In this Act:

***use of a trade mark in relation to goods*** means use of the trade mark upon, or in physical or other relation to, the goods (including second-hand goods).

(5) In this Act:

***use of a trade mark in relation to services*** means use of the trade mark in physical or other relation to the services.

160 The principles in relation to use “as a trade mark” were summarised by Stone, Gordon and McKerracher JJ in *Nature’s Blend Pty Ltd v Nestlé Australia Ltd* (2010) 272 ALR 487; [2010] FCAFC 117 at [19], in the following terms:

(1) Use as a trade mark is use of the mark as a “badge of origin”, a sign used to distinguish goods dealt with in the course of trade by a person from goods so dealt with by someone else: *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107; 47 IPR 481; [1999] FCA 1721 at [19] (*Coca-Cola*); *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 265 ALR 645; 86 IPR 224; [2010] HCA 15 at [43] (*Lion Nathan*).

(2) A mark may contain descriptive elements but still be a “badge of origin”: *Johnson & Johnson Aust Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at 347-8; 101 ALR 700 at 723; 21 IPR 1 at 24 (*Johnson & Johnson*); *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 135 ALR 192; 33 IPR 161; *Aldi Stores Ltd Partnership v Frito-Lay Trading Co GmbH* (2001) 190 ALR 185; 54 IPR 344; [2001] FCA 1874 at [60] (*Aldi Stores*).

(3) The appropriate question to ask is whether the impugned words would appear to consumers as possessing the character of the brand: *Shell Co of Australia Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407 at 422; [1963] ALR 634 at 636; 1B IPR 523 at 532 (*Shell Co*).

(4) The purpose and nature of the impugned use is the relevant inquiry in answering the question whether the use complained of is use “as a trade mark”: *Johnson & Johnson* at FCR 347; ALR 723; IPR 24 per Gummow J; *Shell Co* at CLR 422; ALR 636; IPR 532.

(5) Consideration of the totality of the packaging, including the way in which the words are displayed in relation to the goods and the existence of a label of a clear and dominant brand, are relevant in determining the purpose and nature (or “context”) of the impugned words: *Johnson & Johnson* at FCR 347; ALR 723; IPR 24; *Anheuser-Busch, Inc v Budejovicky Budvar* (2002) 56 IPR 182; [2002] FCA 390 (*Anheuser-Busch*).

(6) In determining the nature and purpose of the impugned words, the court must ask what a person looking at the label would see and take from it: *Anheuser-Busch* at [186] and the authorities there cited.

161 The lodgement of an application for registration of a mark has been considered to be prima facie evidence of an intention to use the mark. In *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 at 401 (Fullagar J) stated:

There is another element mentioned by *Dixon* J. in the *Shell Co.’s Case*, which is stated as essential to the proprietorship of an unused trade mark. That element is the intention of the applicant for registration to use it upon or in connexion with goods. As to this I need only say that I do not regard his Honour as meaning that an applicant is required, in order to obtain registration, to establish affirmatively that he intends to use it. There is nothing in the Act or the Regulations which requires him to state such an intention at the time of application, and the making of the application itself is, I think, to be regarded as prima facie evidence of intention to use. I cannot think that the Registrar is called upon to institute an inquiry as to the intention of any applicant, and I think that, on an opposition or on a motion to expunge, the burden must rest on the opponent or the person aggrieved, of proving the absence of intention.

[Footnotes omitted.]

162 In *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9; [2010] FCAFC 58 (***Food Channel***) the Full Court, after quoting the above reasoning of Fullagar J, stated at [69] (Keane CJ, Stone and Jagot JJ):

The position has changed somewhat since the decision in *Aston* in that s 92(4)(b) now provides for the removal of a mark that has not been used for three consecutive years, however there is no suggestion that this section applies in this case.

163 Their Honours then explained at [72]:

As has been noted, the filing of an application for registration of a mark is *prima facie* evidence of an intention to use that mark. Once an opponent has made out a *prima facie* case that there was a lack of intention to use a mark, it has been held that the onus shifts to the applicant to establish that intention (*Health World Ltd v Shin-Sun Australia Pty Ltd* (2008) 75 IPR 478).

164 The intention to use the trade mark must exist at the date of application but subsequent use or non-use may be relevant in drawing inferences as to the issue of intention at the date of application: *Food Channel* at [74], citing *Sapient Australia Pty Ltd v SAP Aktiengesellschaft* (2002) 55 IPR 638 at 645-6; see also *Danjaq LLC v Resource Capital Australia Pty Ltd* (2004) 61 IPR 651 at [35].

165 In *Suyen Corporation v Americana International Ltd* (2010) 87 IPR 262; [2010] FCA 638 (***Suyen***), Dodds-Streeton J explained at [196]-[197] that the presumption of an intention to use arising from registration continued to apply:

[196] A number of recent authorities have, however, endorsed its continuing application. Most significantly, in *Food Channel*, the Full Court affirmed, in reliance on *Aston*, that “the very act of making the application is, without more, sufficient to establish the requisite intention” (at [67]). See also *Television Food* [*Network GP v Food Channel Network (No 2)* (2009) 80 IPR 314; [2009] FCA 271] at [95] where Collier J stated that:

[95] … making an application for registration is prima facie evidence of an intention to use: *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 at 401; [1960] ALR 605 at 611; [1960] HCA 47 per Fullagar J, *Kimberly- Clark Worldwide Inc v Goulimis* (2008) 253 ALR 76; 78 IPR 612; [2008] FCA 1415 at [10].

[197] The presumption was first recognised under legislation which cast on the applicant the burden of establishing entitlement to registrability. Although the applicant no longer bears that burden, nothing in the language of s 27 or any other relevant provision of the present Act suggests a legislative intention to depart from the long-established presumption of intention to use recognised under previous legislation. To the contrary, as possession of the requisite intention is a precondition of entitlement to apply, it may readily be presumed from the fact of application.

166 I do not understand Dodds-Streeton J to be suggesting in *Suyen* that the presumption of intention to use a mark arising from registration of a mark rises higher than prima facie evidence of intention and that the presumption could not be rebutted by other evidence, such as subsequent non-use. If I am mistaken in that regard, such a suggestion would be contrary to the Full Court’s reasoning in *Food Channel* at [72] and [74], referred to above. Moreover, it would render inutile the reversal of the onus pursuant to s 100(1) of the Act in an opposition application based on alleged non-use.

167 In order to demonstrate a use of a trade mark in good faith it is necessary to show an ordinary and genuine use of the mark, judged by commercial standards: *New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd* *and Another* (1989) 86 ALR 549 at 567 (Gummow J), citing *Re Concord Trade Mark* [1987] FSR 209 (Falconer J) (with respect to the equivalent provision in the British legislation, s 26 of the *Trade Marks Act 1938* (UK) (**UK Act**)).

168 While a single act of sale may not be sufficient to prevent removal of a trade mark, a relatively small amount of such use may be sufficient to amount to an ordinary and genuine use of the mark, judged by commercial standards: *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144; [2010] HCA 15 (***Gallo***) at [64] (French CJ, Gummow, Crennan and Bell JJ).

169 In *Gallo*,the respondent contended that the use of a trademark consisting of the use of the word BAREFOOT in combination with a stylised device of a bare foot on the labels of wine bottles was not a use of the registered trade mark, which was the word BAREFOOT simpliciter. The respondent sought to rely on the decision of Allsop J (as his Honour then was) in *Colorado Group Ltd and Another v Strandbags Group Pty Ltd* (2007) 164 FCR 506; [2007] FCAFC 184 (***Colorado***). His Honour found that the use of the word “Colorado” in conjunction with a mountain peak device was a composite mark and the mountain peak device was not a mere descriptor: *Colorado* at [110].

170 The Court observed in *Gallo* (at [68]) that the use of a geographical word, such as Colorado, was inherently not adapted to distinguish the owner’s goods from goods of other persons. The Court then stated at [69]:

This is to be contrasted with the position in this case. The addition of the device to the registered trade mark is not a feature which separately distinguishes the goods or substantially affects the identity of the registered trade mark because consumers are likely to identify the products sold under the registered trade mark with the device by reference to the word BAREFOOT. The device is an illustration of the word. The monopoly given by a registration of the word BAREFOOT alone is wide enough to include the word together with a device which does not substantially affect the identity of the trade mark in the word alone. So much is recognised by the terms of s 7(1), which speak of additions or alterations which “do not substantially affect the identity of the trade mark”. Except for a situation of honest concurrent use, another trader is likely to be precluded from registering the device alone while the registered trade mark remains on the Register. The device is an addition to the registered trade mark that does not substantially affect its identity. Accordingly, the use of the registered trade mark with the device constitutes use of the registered trade mark in accordance with s 7(1).

171 An applicant’s intention to use a trade mark cannot be established if the evidence relied upon is not anything more than “an uncertain or indeterminate possibility”: *Optical 88 Limited v Optical 88 Pty Limited (No 2)* (2010) 89 IPR 457; [2010] FCA 1380 at [268] (Yates J), citing *In the matter of Ducker’s Trade Mark* (1928) 45 RPC 397 at 402 (Pollock MR, Lawrence and Sankey LJJ agreeing). Justice Yates explained at [268]-[270]:

[268] Taking the evidence as a whole, and particularly the evidence given by Mr Wong in cross-examination, I am not satisfied that the applicant’s intention, such as it was at 2 November 2005, was anything more than “an uncertain or indeterminate possibility” (see *Re Ducker’s Trade Mark* [1929] 1 Ch 113 at 121; (1928) 45 RPC 397 at 402) that the applicant might commence to operate stores in Australia. Even then the possibility of wholesaling (for example, through franchising in Australia) was, as I have noted, wholly speculative. Moreover, in light of the great variety of OPTICAL 88 trade indicia used by the applicant, no evidence was given as to what specific trade marks the applicant might use for that purpose.

[269] The evidence did not really deal with the applicant’s intention to use the ‘966 mark in Australia in relation to the goods for which it is registered. There is no evidence that the applicant did in fact use the ‘966 mark in relation to goods at any time. In cross-examination Mr Wong referred to the fact that at some point in time (precisely when was not made clear) the respondent was looking at acquiring a manufacturing factory for frames and also the possibility of entering into a joint venture with a Japanese company for the manufacture of lenses. However, no attempt was made to relate this evidence to trade mark use, let alone use of the ‘966 mark in Australia or anywhere else.

[270] In the face of an application to remove the ‘966 mark for non-use, the applicant’s evidence of an intention, as at 2 November 2005, to use that mark in Australia, or to authorise its use in Australia or to assign the mark for use in Australia, was singularly lacking in any persuasive force.

## Submissions – MOTHER LOADED ICED COFFEE mark

172 EB submits that the fact of the application for the MOTHER LOADED ICED COFFEE mark alone supports an intention in good faith to use it in relation to the goods applied for and there is circumstantial evidence that corroborates the existence of that intention.

173 EB submits that the corroborating evidence comprises the following matters.

174 *First*, TCCC had used and registered MOTHER-derivative marks in relation to its several varieties of energy drinks.

175 *Second*, the MLIC registration is consistent with that strategy, particularly insofar as it also covers beverages.

176 *Third*, TCCC’s competitors at the time, including Monster, were crossing over from energy drinks to flavoured milk drinks. EB points to Mr Thiele’s evidence that Monster’s X-PRESSO MONSTER, a dairy based coffee and energy drink, had been available in Australia for a short time in around the early 2010s and Ms Maartensz’s evidence that an article dated 20 June 2010 in the Sunday Times (Perth) reported that “Coca-Cola Amatil is rumoured to be working on a dairy version of its popular Mother energy drink”.

177 *Fourth*, the focus on “coffee” is consistent with MOTHER energy drinks being “fuelled” by natural stimulants including caffeine.

178 *Fifth*, the tagline “LOADED ICED COFFEE” coupled with the primary mark MOTHER is consistent with TCCC’s branding strategy — such as, for example, MOTHER BIG SHOT, MOTHER REVIVE and MOTHER OF AN ENERGY HIT.

179 *Sixth*, in relation to *intention* *to use* in s 92(4)(a), EB submits that the lodgement of an application for registration is prima facie evidence of the applicant’s intention to use the mark, citing *Aston* at 401 and *Suyen* at [195]-[197].

180 EB concedes that it has not used the MOTHER LOADED ICED COFFEE mark in relation to the MLIC Protected Goods, or at all, during the relevant period of 13 January 2015 to 13 January 2018 (**MLIC Relevant Period**) and that if there was any relevant use by TCCC, it is not able to provide evidence of such use for the purposes of this proceeding.

181 Cantarella submits that given EB’s concession that the MOTHER LOADED ICED COFFEE mark was not used at all in relation to the goods for which it was registered within the MLIC Relevant Period, s 92(4)(b) of the Act is engaged. The mark is therefore liable to be removed.

182 Cantarella also submits that the MOTHER LOADED ICED COFFEE mark is liable to be removed because s 92(4)(a) is also engaged. It contends that on the day on which the application for the registration of the trade mark was filed, EB had no intention in good faith to use the trade mark in Australia.

## Consideration – MOTHER LOADED ICED COFFEE mark

183 EB contends in its Notice of Appeal that the Delegate “ought” to have found that TCCC had the requisite intention to use the mark in relation to the goods for which it is registered. As Cantarella submits, it is not clear why the Delegate “ought” to have made such a finding for the purposes of s 92(4)(a), having already determined (as EB now accepts) that the MOTHER LOADED ICED COFFEE mark was liable for removal under s 92(4)(b) of the Act.

184 In any event, I am satisfied that the matters relied upon by EB provide no support for the alleged intention of TCCC.

185 TCCC’s filing of the application for registration of the MOTHER LOADED ICED COFFEE mark is only prima facie evidence of an intention to use the mark at the time it was filed.

186 I am satisfied that the absence of any use of the mark in the 10 years since it was registered, or any launch of an iced coffee beverage by EB, gives rise to a strong inference that no good faith intention to use the mark existed at the date of the MLIC registration. This is particularly the case when considered against the agreed facts concerning the use of the MOTHER marks since 2007, being that EB has sold hundreds of millions of cans of MOTHER energy drink in Australia (including during the MLIC Relevant Period and prior to the MOTHERSKY Priority Date).

187 The evidence of Mr Thiele and Ms Maartensz on which EB relies to establish is not capable of establishing an intention in good faith for TCCC to use the MOTHER LOADED ICED COFFEE mark at the filing date. There was no evidence of any plans or proposals by TCCC at the filing date to launch any dairy based coffee and energy drink in response to the X-PRESSO MONSTER product and the absence of any subsequent plans or proposals tells strongly against drawing any inference that there was any genuine intention at the filing date to use the mark. Moreover, no material weight for the purpose of drawing inferences as to genuine intention to use a mark can be placed on an article in a newspaper reporting rumours that TCCC was “working on” a dairy version of its MOTHER energy drink.

188 In circumstances where the absence of a bona fide intention to use the MOTHER LOADED ICED COFFEE mark had been raised by Cantarella, the failure of EB to produce evidence that TCCC or it ever had an intention to use the mark is significant. I am more confident in drawing the inference that neither TCCC nor EB had any such intention in the absence of such evidence. As submitted by Cantarella, one would expect there to exist at least some internal documentary evidence of such an intention if such an intention existed. Neither the evidence of Mr Thiele nor the Recent EB Planning Documents disclose the existence of any such intention: see above at [34(c)] and [98].

189 The other matters relied upon by EB also provide no assistance in discharging its onus under s 92(4)(a) of the Act, as they all concern use of the MOTHER logo, not the MOTHER LOADED ICED COFFEE mark. None of EB’s MOTHER marks is registered in relation to classes 29 or 30, in which the MOTHER LOADED ICED COFFEE mark is registered. Nor does Mr Thiele give any evidence that TCCC or EB ever marketed milk or coffee products by reference to that brand. The highest Mr Thiele is able to put matters, even as at 2021, is a potential future expansion of the MOTHER brand into dairy based products.

## Submissions – MOTHERLAND mark

190 EB advances the following submissions in support of its appeal against the decision of the Delegate to remove the MOTHERLAND mark from the Register.

191 *First*, it submits that the evidence of Ms Maartensz that the MOTHERLAND mark was used in content posted on EB’s dedicated MOTHER Facebook page and YouTube pages and on Triple M’s YouTube page, which were still accessible to view in around May 2020 and April 2021, establishes the use of the MOTHERLAND mark. EB submits that it can readily be inferred in the light of this evidence and that of Mr Simonetti concerning the posting of the content, that the content was also available throughout the MOTHERLAND relevant period.

192 *Second,* it submits that the posting of the MOTHERLAND advertisements on EB’s MOTHER and Triple M’s social media platforms had the purpose and effect of promoting EB’s energy drinks. This was an ordinary and genuine use of the MOTHERLAND mark in relation to EB’s energy drinks throughout the MOTHERLAND Relevant Period.

193 *Third*, it submits that there is no excessive operation of s 92(4)(b) of the Act on EB’s case because the energy drinks promoted by the MOTHERLAND mark were and are still available for purchase and the MOTHERLAND commercial is a use in relation to those goods. The Delegate wrongly categorised the MOTHERLAND commercial on YouTube and Facebook as “passive” and “historical” (see MOTHERLAND decision at [19]), but so long as it is functioning as an “invitation to treat” to EB’s energy drinks it is functioning as a trade mark in relation to those goods.

194 Mr Murray SC submitted that the position was no different to an aging McDonald’s billboard on the back road to Goulburn, by-passed by most travellers but still serving its original purpose to promote the sale of McDonalds’ food and beverage in that town. The situation might be different if the Goulburn McDonalds’ restaurant had closed, but that is not the case; and it is also not the case with Mother energy drinks

195 *Fourth,* it submits that the “Motherland” theme park is a marketing construct. “Motherland” describes the fictional theme park upon which the MOTHERLAND advertising campaign is based but it also has a secondary brand association. Customers viewing the MOTHERLAND advertisements that have remained available on the MOTHER Facebook page and MOTHER YouTube page, would recognise the mark as possessing the character of the MOTHER brand, indicating a connection in the course of trade between MOTHERLAND and MOTHER energy drinks.

196 Cantarella submits that for at least four compelling and independently sufficient, reasons EB cannot factually or legally sustain its claim that it has used MOTHERLAND as a trade mark in relation to goods or services for which it was registered during the MOTHERLAND Relevant Period.

197 *First*, the “use” upon which EB relies is not trade mark use of the MOTHERLAND mark, as it is not a use of MOTHERLAND as a badge of origin at all.

198 *Second*, for the sake of argument, the latest actual “use” of the phrase “MOTHERLAND” was in 2011, when TCCC uploaded, or authorised the uploading of, videos to YouTube and Facebook and/or when the MOTHERLAND commercial was aired on television.

199 *Third*, the only “activity” within the MOTHERLAND Relevant Period upon which EB seeks to rely are two comments apparently posted “approximately 2 years ago” and “3 years ago”. Such comments are not a use of the MOTHERLAND mark.

200 *Fourth*, the above problems also arise in relation to the MOTHER YouTube “About” page reference. In addition, the only evidence of “MOTHERLAND” being used on EB’s YouTube “About” page is from 2020, outside the relevant period.

## Consideration – MOTHERLAND mark

201 I am satisfied that the MOTHERLAND commercial posted on YouTube is in substance, as found by the Delegate, an example of “a passive historical snapshot of a marketing campaign” that EB was “no longer *actively* promoting or using to sell its goods to Australian consumers”: MOTHERLAND decision at [19].

202 It is readily apparent from the MOTHERLAND commercial that TCCC was using the term “Motherland” to describe a fictional theme park and it was being used as a component of a marketing strategy. It was not being used as a trade mark in relation to goods in respect of which it was registered. It was not a use of the MOTHERLAND mark for an energy drink product. Rather the video, through the construct of a “Motherland” theme park, was promoting MOTHER branded energy drinks, as manifested in the use of the black distinctive gothic “MOTHER” script and twirls, and normal red script for “LAND”, juxtaposed with a can of MOTHER energy drink, as shown below:



203 Consistently with the reasoning of the High Court in *Gallo* at [69], the MOTHER mark is being used in the MOTHERLAND commercial as a badge of origin to distinguish the energy drinks of the owner, TCCC and then EB, from energy drinks produced by other manufacturers. The incorporation of the MOTHER mark, with its distinctive gothic script and twirls, in the word “Motherland” as depicted in the video emphasises that the MOTHER mark is being used as the trade mark in the video. There is no separate or additional use of the MOTHERLAND mark as a trade mark to distinguish MOTHER energy drinks from other energy drinks. The “Motherland” construct emphasises the adventurous and rebellious brand pillars of MOTHER energy drinks but the branding and badge of origin is firmly entrenched as the distinctive MOTHER mark.

204 On no view were TCCC and EB promoting the sale of tickets to a theme park called “Motherland” nor promoting the sale of any “Motherland” products by posting, and then not taking down, the MOTHERLAND commercial on social media websites.

205 As senior counsel for Cantarella submitted by analogy, a consumer watching a Toyota advertisement with the “Toyota. Oh, what a feeling” marketing message would readily be expected to identify the cars being advertised as Toyotas, not “Toyota. Oh, what a feeling” cars.

206 Moreover, even assuming that the MOTHERLAND commercial could potentially constitute a use of the MOTHERLAND mark as a trade mark, EB would have to overcome the following additional hurdles in order to establish a relevant use for the purposes of s 92(4) of the Act.

207 TCCC uploaded, or authorised the uploading of, the MOTHERLAND commercial to YouTube and Facebook in 2011. The advertisement was also aired in 2011. This was approximately five years prior to the start of the MOTHERLAND Relevant Period. The evidence of Mr Simonetti establishes that where videos have been posted to Facebook and YouTube they simply stay online until removed. It is not apparent how their continued presence on those platforms alone is sufficient to establish genuine, commercial use by EB many years after the videos were initially posted as part of a concerted advertising campaign in 2011.

208 Further, the evidence does not disclose how a person could actually view the video. Mr Thiele’s evidence discloses the landing page if a person goes to the MOTHER Facebook page. That landing page does not disclose the video. Nor is there any specific indication on the landing page as to how to get to the video.

209 Nevertheless, Mr Thiele gives evidence that it was located on YouTube by using a particular link. He did not explain how a person could find that link. He also gives evidence that it was possible to locate the video on Facebook by using another link. There was no specific evidence as to how a person could locate that link. It was available on a computer platform but the means of getting access to it is not disclosed in the evidence. Again, it is not apparent how the retention of an old advertisement on a computer platform and the absence of any evidence that EB made available or published or promoted a link to the advertisement can constitute a use of the MOTHERLAND mark.

210 As Cantarella submits, the only “activity” within the MOTHERLAND Relevant Period that EB seeks to rely upon are the two comments posted apparently “approximately 2 years ago” and “3 years ago”.

211 The posts were made by a “Kenny Sherman” on 29 April 2018 (being an emoji smiling face) on the MOTHER Facebook page and by a “Vegetarian Soylent Green” in 2018 on the MOTHER YouTube page (being the somewhat incongruous comment given the moniker used by the poster – “Please turn it into an actual theme park. You have no idea how long I’ve been waiting to burn my meat on a rollercoaster”). The identity of the persons and the location from which those comments were posted was not disclosed in the evidence. Moreover, the comments on their face appear to be directed at the depiction of the theme park in the MOTHERLAND commercial. They do not suggest any engagement with or demonstrate any interest in the acquisition of MOTHER energy drinks.

212 It has been said that the posting of comments, “likes” or other similar forms of engagement by computer users on the internet, in a context where the comments had been posted by Australian consumers on a website that was not specifically directed at or targeted at Australian consumers, do not on their face constitute use of a trade mark in the course of trade in Australia in relation to the relevant goods: *Carter v Liberty Procurement Co Inc* (2016) 125 IPR 235 at [57].

213 Certain uses of a trade mark “online” have been held to constitute “trade mark use”. In *PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* (2020) 154 IPR 68 (***PDP Capital***), Markovic J summarised the alleged use of the “Wicked Tail Mark” at [576]:

(1) the Original Packaging using the Wicked Tail Mark was phased out by early 2016, which covers the beginning of the Third Non-Use Period, once all of the pre-printed labels for the Original Packaging had been used. Beyond Mr Valentine’s general assertion, the evidence does not disclose in what quantities or to which independent grocers or retailers Wicked dips continued to be sold in the Original Packaging in the period up to early 2016; and

(2) as at 27 May 2019 the Fruitlink website featured a photograph of the Wicked chocolate dip in the Original Packaging which includes the Wicked Tail Mark.

214 Her Honour then concluded at [581]:

Here there has been use in the Third Non-Use Period as summarised at [576] above. Contrary to PDP’s submission, the use is not limited to the publication of Fruitlink’s webpage but includes the use on the Original Packaging in the period in which that packaging was phased out. While there is no evidence of the volume sold in the Original Packaging in that period, I am satisfied that even if it was a relatively small amount of use by comparison to total sales, it is sufficient to constitute use. There is no suggestion that the use during this period was not genuine. As Mr Valentine said, Grasshopper used its diminishing stock of Original Packaging featuring the Wicked Tail Mark for its dips sold to independent grocers.

215 In *Ward Group Pty Ltd v Brodie & Stone Plc* (2005) 143 FCR 479; [2005] FCA 471(***Ward Group***), Merkel J, after describing different approaches which had been taken in previous authorities concerning how “online” publication was to be construed, concluded at [43]:

In summary, the use of a trade mark on the internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction **where the mark is downloaded**. However, as explained above, if there is evidence that the use was **specifically intended to be made in, or directed or targeted at, a particular jurisdiction** then there is likely to be a use in that jurisdiction **when the mark is downloaded**. Of course, once the website intends to make and makes a specific use of the mark in relation to a particular person or persons in a jurisdiction there will be little difficulty in concluding that the website proprietor used the mark in that jurisdiction when the mark is downloaded.

[Emphasis added.]

216 The uploading of content on a website outside Australia, by itself, was insufficient to constitute use of a mark in any jurisdiction in which it was possible to access the content. A use in a jurisdiction required both an intention to target a particular jurisdiction and a downloading of the content in that jurisdiction. The approach taken by Merkel J has been followed in more recent cases.

217 In *Sports Warehouse*,Kenny J stated at [121]:

The respondent accepted that there can be a use of a trade mark in relation to goods or services in Australia where the trade mark is used on a website outside Australia that is accessible to, **and is accessed by**, customers in Australia.

[Emphasis added.]

218 In *Christian v Société Des Produits Nestlé SA (No 2)* (2015) 115 IPR 421; [2015] FCAFC 153 (Bennett, Katzmann and Davies JJ), their Honours referred at [78] to *Ward Group* and the requirement of establishing trade mark use in relation to relevant goods, and held at [79]:

Here, the evidence disclosed the use of the first A-SASHI logo in relation to the A-SASHI goods. There was evidence that the use was **specifically intended to be made in Australia, or directed or targeted at, Australians**. Furthermore, the website intended to make, and made, specific use of the mark in relation to Ms Shearer in Australia, although she did not actually make any purchases. In other words, there was trade mark use in Australia. For these reasons, the primary judge was entitled to take into account the first A-SASHI logo in determining whether or not Mr Christian had infringed the MUSASHI trade marks.

[Emphasis added.]

219 The issue in the present context, however, is not so much whether the MOTHERLAND commercial was directed at Australian consumers but rather the specific identity and location from which the comments by “Kenny Sherman” and “Vegetarian Soylent Green” were posted.

220 Further, as submitted by Cantarella, it is not possible on the evidence to determine whether the comments were a reply to an earlier comment, or whether “Kenny Sherman” and “Vegetarian Soylent Green” posted the comments based on a “memory” of the video being displayed to them, rather than accessing it themselves. Further, if they *did* have access to the original video of the MOTHERLAND commercial, *how* they had accessed it remained unclear.

221 EB has not adduced any evidence of the identity of “Kenny Sherman” or “Vegetarian Soylent Green” or their physical location at the time they made their comments, meaning that I could not be satisfied that such comments could establish use of the trade mark within Australia.

222 Nor is there any evidence that making a comment on a post requires a person to download the MOTHERLAND commercial. Similarly, there is no evidence that any such viewing (had it occurred) was in the course of trade. I am not satisfied that leaving an advertisement on a social media page, many years after a promotional campaign featuring that advertisement, is a use of the advertisement in the course of trade. MOTHER energy drinks remained available for sale during the MOTHERLAND Relevant Period, but they were no longer actively promoted for sale through the MOTHERLAND commercial. The MOTHERLAND commercial had, by the time of the MOTHERLAND Relevant Period, become a historical and legacy artefact, perhaps best demonstrated by the sparsity of the evidence sought to be relied upon by EB to establish its use in the course of trade during that period.

223 Taken together, these matters raise additional and significant obstacles to any conclusion that there has been any trade mark use of the MOTHERLAND mark during the MOTHERLAND Relevant Period.

224 I am satisfied that that there was not any trade mark use by EB of the MOTHERLAND mark during the MOTHERLAND Relevant Period.

# EXERCISE OF DISCRETION

225 Having found that there has been no trade mark use of the MOTHER LOADED ICED COFFEE mark or the MOTHERLAND mark during their respective relevant periods, or intention to do so, it is next necessary to consider whether the Court’s discretion should otherwise be exercised in favour of retaining the marks on the Register.

226 It is convenient to address both marks at the same time in considering whether I should exercise the discretion in favour of the marks remaining on the Register, but it does not necessarily follow that the same answer will be forthcoming for both marks.

## Section 101 of the Act and relevant legal principles

227 Section 101 of the Act relevantly provides:

(2) Subject to subsection (3) … if, at the end of the proceedings relating to an opposed application, the court is satisfied that the grounds on which the application was made have been established, the court may order the Registrar to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.

(3) If satisfied that it is reasonable to do so, the Registrar or the court may decide that the trade mark should not be removed from the Register even if the grounds on which the application was made have been established.

(4) Without limiting the matters the Registrar may take into account in deciding under subsection (3) not to remove a trade mark from the Register, the Registrar may take into account whether the trade mark has been used by its registered owner in respect of:

(a) similar goods or closely related services; or

(b) similar services or closely related goods;

to those to which the application relates.

228 In *Health World Ltd v Shin-Sun Australia Pty Ltd* (2010) 240 CLR 590; [2010] HCA 13 at [22] (French CJ, Gummow, Heydon and Bell JJ) the central concern of the Register was stated in the following terms:

… the legislative scheme reveals a concern with the condition of the Register of Trade Marks. It is a concern that it have “integrity” and that it be “pure”. It is a “public mischief” if the Register is not pure, for there is “public interest in [its] purity”. The concern and the public interest, viewed from the angle of consumers, is to ensure that the Register is maintained as an accurate record of marks which perform their statutory function — to indicate the trade origins of the goods to which it is intended that they be applied.

[Footnotes omitted.]

229 The registered proprietor bears the onus of persuading the Court to use the discretion not to remove the trade mark from the register, notwithstanding that the grounds on which the application was made for removal have otherwise been established. As the Full Court stated in *Austin, Nichols & Co Inc v Lodestar Anstalt* (2012) 202 FCR 490; [2012] FCAFC 8 (***Austin Nichols***) at [44] (Jacobson, Yates and Katzmann JJ):

For the discretion to operate in favour of the registered owner, the Court must be positively satisfied that it is reasonable that the trade mark should not be removed. On this question Lodestar bears the onus of proof: *Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* (2010) 275 ALR 526 (“*Optical 88*”) at [273]. This is a legal, and not merely an evidential, onus. The foundation for the conclusion of the primary judge that the WG mark should stay on the Register was his finding that the WG mark had acquired a reputation and profile overseas and in Australia such that confusion might result if it were to be removed. There are two problems with this finding. First, there was an insufficient basis in the evidence for the finding concerning reputation in Australia. Lodestar had not proved that the international profile was known to the Australian consumer. Secondly, neither the source of the postulated confusion nor the reason for it was identified. Consequently, the discretion miscarried.

230 The discretion is a broad one and is only limited by the subject matter, scope and purpose of the legislation, in particular Part 9 of the Act: *Austin Nichols* at [35] (Jacobson, Yates and Katzmann JJ).

231 As their Honours explained at [38]:

The purpose of Part 9 is to provide for the removal of unused trade marks from the Register. In that regard it is plainly designed to protect the integrity of the Register, and in this way, the interests of the consumer. At the same time, however, it seeks to accommodate, where reasonable, the interests of the registered trade mark owners. Otherwise, there would be no need for the discretion.

232 In *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2008) 77 IPR 69; [2008] FCA 934 at [202]-[203], Flick J stated that the five factors identified by Falconer J in obiter comments in *Hermes Trade Mark* [1982] RPC 425 provided some assistance in the exercise of the statutory discretion as a list of non-exhaustive factors to be considered. An application had been made in that case for the removal of the trade mark “Hermes”, in relation to watches, for non-use during a five year period. The application was rejected, but Falconer J observed that had it been necessary to exercise the discretion conferred by s 52 of the UK Act he would have permitted it to remain on the register. His Honour identified the following factors that were relevant to that conclusion:

(a) there been no abandonment of the trade mark;

(b) the registered proprietors still had a residual reputation in the mark;

(c) there had been sales by the registered proprietors of watches since the relevant period ended;

(d) the applicants for removal had entered the market without having taken steps to ascertain from the register whether anyone had a right to exclude their use of the mark; and

(e) the registered proprietors were not aware of the applicants’ sales under the “Hermes” mark.

233 Justice Burley stated in *Goodman Fielder Pte Ltd v Conga Foods Pty Ltd* (2020) 158 IPR 9; [2020] FCA 1808 (***Goodman Fielder***) at [275]:

Under s 101(4), one of the relevant considerations for the Registrar to take into account in exercising the discretion under s 101(3) is whether the trade mark has been used by its registered owner in respect of “similar goods or closely related services”. In enacting the amendment in the *Trade Marks Amendment Act 2006* (Cth) that brought about this provision, Parliament did not include it specifically as a factor that the Court may also take into account, no doubt because it nevertheless falls within the broad discretion of the Court: see Elkington B, Hall M, Kell D, *Annotated Trade Marks Act 1995* (3rd ed, LexisNexis Butterworths, 2020) at p 177.

234 Use by an entity other than the registered owner may also be relevant. In *Trident Seafoods Corp v Trident Foods Pty Ltd* (2018) 137 IPR 65; [2018] FCA 1490 (***Trident***), Gleeson J stated at [179] that although there had been no relevant use of the “TRIDENT” mark by Trident Foods during the relevant period and grounds for removal had been established it was nevertheless reasonable to exercise the s 101(3) discretion to permit the mark to remain on the Register, because, inter alia:

There has been long-standing use of the “TRIDENT” brand by Manassen with the knowledge and acquiescence of Trident Foods, and in circumstances where they are members of the same group of companies, on a wide and changing portfolio of food products. That use has been responsible for the continuing strong reputation of the “TRIDENT” brand. Historically, the portfolio has included fish and fish products, including tinned tuna and other tinned seafood products. The public are likely to identify products using the “TRIDENT” trade mark as emanating from a single source which is, in fact, a company that is part of the group of companies of which Trident Foods is a member. In these circumstances, I do not accept Trident Seafoods’ submission that Manassen’s use does not assist Trident Foods on the question of discretion.

235 The absence of use or intention to use at the date of filing for registration militates strongly against an exercise of the s 101(3) discretion.

236 As Burley J stated in *Goodman Fielder* at [289]:

[C]onsideration of the policy and purpose underlying the Trade Marks Act indicates that a trade mark unused, and not intended to be used at the date of filing, ought not to have been registered and ought not to remain registered. That is because of the essential requirement that there be a connection in the course of trade between the trade mark and the goods in respect of which they are registered. In the absence of any real and definite intention, and any actual use, that connection is likely to be absent. That may explain why the onus lies on the applicants to satisfy the Court that the discretion should be exercised in their favour.

237 Similarly*,* Gleeson J stated in *Trident* at [178]:

I would probably not accept that the widespread use of the “TRIDENT” mark on foodstuffs, including food products that have an affinity with fish and fish products, would justify an exercise of the s 101(3) discretion in Trident Foods’ favour to prevent the removal of TM266625 and TM400953 (in relation to fish) if Trident Foods and Manassen had no intention for Manassen to use the trade mark on fish or fish products as an authorised user within the meaning of the Act. This is because I accept that there is a public interest in avoiding the inclusion on the Registrar of a trade mark in respect of goods where there is no intention that that the mark be applied to those goods: the inclusion of such marks tends to reduce the integrity of the Register. Thus, I would not accept that the sale of goods that are not fish or fish products (including, for example, dates and tinned vegetables, or goods that might be used to create a dish using fish or fish products), without more, provides a basis for the exercise of the s 101(3) discretion in Trident Foods’ favour.

## EB submissions

238 EB contends that the Court’s discretion should be exercised in favour of retaining the MLIC and MOTHERLAND registrations on the Register. EB advances the following principal submissions in support of that contention.

239 *First*, EB submits that the MOTHER mark is frequently coupled with secondary words or taglines, such that consumers would understand that the MOTHER LOADED ICED COFFEE and MOTHERLAND marks were MOTHER-derivative marks.

240 *Second*, EB submits that consumers are used to seeing innovation in the MOTHER product range and cross-promotions.

241 *Third*, EB submits that there is a convergence of energy drinks with other non-alcoholic drinks through distribution channels and retail outlets and the manner of their promotion.

242 *Fourth*, EB submits that MOTHER is a highly distinctive, unusual and unexpected name in the context of beverages of any kind, and in particular, of energy drinks and other “grab & go” drinks, such as “sports drinks, soft-drinks and flavoured and aerated waters and fruit juices, and RTD coffee products and flavoured milks”.

243 *Fifth*, EB submits that Cantarella has not provided any “convincing evidence” of a competing reputation which might lead to public confusion if the MOTHER LOADED ICED COFFEE and MOTHERLAND marks remain registered.

244 *Sixth,* EB submits that the use of a similar “MOTHER …” mark by a hypothetical third party in relation to energy drinks and/or the Protected Goods (regardless of whether it is Cantarella) would be likely to deceive or cause confusion.

245 EB submits, in summary, that the public interest favours registration of the disputed marks being maintained. It submits that its private concerns are legitimate factors for the Court’s consideration. It contends that it has provided extensive evidence of its interests in the MOTHER mark and MOTHER-derivative marks in Australia. It submits that the MOTHERLAND campaign was a “memorable and celebrated campaign which remains relevant to the MOTHER brand and could easily be revived or re-imagined” and that there is “plenty of evidence” of other energy drink brands expanding into other beverage lines such as flavoured milks and iced teas.

246 *Finally*, EB submits that the following other factors invite the exercise by the Court of its discretion to permit the MOTHER LOADED ICED COFFEE and MOTHERLAND marks to remain on the Register:

(a) EB has not abandoned the marks;

(b) there is a residual reputation in the MOTHERLAND mark given its continuing presence on the social media platforms of EB and third parties;

(c) EB only acquired TCCC’s MOTHER business within the MLIC Relevant Period; and

(d) EB’s intention to use the two marks is made good by its lodgement of the new applications under Australian trade mark numbers 1935640 and 2005023, which are for the words “MOTHER LOADED ICED COFFEE” and “MOTHERLAND” respectively (but acknowledges that they have a later priority date).

## Cantarella submissions

247 Cantarella submits that the Court should not exercise its discretion pursuant to s 101(3) of the Act because EB has never used the MOTHERLAND LOADED ICE COFFEE mark or the MOTHERLAND mark and there is no evidence of any intention of EB to use either mark. Cantarella submits that the lack of any intention to use the marks permits a conclusion that EB has abandoned them.

248 Cantarella also submits that given the absence of any prior use of the marks there cannot be any residual reputation in them.

249 Contrary to the submissions advanced by EB, Cantarella submits that there can be no risk of deception or confusion arising from EB’s practice of coupling the MOTHER mark with secondary words or taglines, because EB’s use and reputation is focused on the MOTHER logo and confined to the energy drink market. It submits that there is no realistic risk that other uses of marks containing the element “MOTHER” shown otherwise than as promoted by EB will give rise to deception or confusion.

## Consideration

250 The absence of any use as a trade mark as a badge of origin or requisite intention to use either the MOTHER LOADED ICED COFFEE or the MOTHERLAND mark as a trade mark as a badge of origin weighs heavily against any exercise of the discretion to permit the marks to remain on the Register.

251 None of the contentions advanced by EB in support of the exercise of the discretion are compelling or persuasive.

252 *First*, any coupling of the MOTHER mark with secondary words or taglines that might cause consumers to understand that the MOTHER LOADED ICED COFFEE and MOTHERLAND marks were MOTHER-derivative marks is outweighed by the need to protect the Register by removing unused trade marks.

253 *Second*, I am not satisfied that there is any material convergence of energy drinks with pure coffee products by reason of the use of common distribution channels and retail outlets and the manner of their promotion. Energy drinks and pure coffee products might be sold through common distribution channels and retail outlets but the persons to whom they are marketed and the manner and location in which they are presented for sale in retail outlets is fundamentally different, as demonstrated by the contrasting evidence and photographs of the marketing of energy drinks and coffee and the manner in which they are presented for sale in the Evidentiary Background above.

254 *Third*, I do not accept that MOTHER is a highly distinctive, unusual and unexpected name in the context of beverages other than energy drinks. “Mother” is an inherently generic and familiar word and with the exception of its use by EB (and before it TCCC) with respect to energy drinks, it is not an unusual or unexpected word. Indeed, the use of the word “mother” in conjunction with “high octane” and “rebellious” energy drinks is a use that might well be considered to be a use outside stereotypical connotations of the word. That use could fairly be characterised as unusual or unexpected.

255 *Fourth*, I am satisfied that Cantarella has provided sufficient evidence of a competing reputation which might lead to public confusion if the MOTHER LOADED ICED COFFEE and MOTHERLAND marks remain registered. The evidence of Mr Creswick outlined above demonstrates that in the last 60 years, Cantarella has established a significant reputation in the market for the sale of pure coffee products in Australia, through the sale of pure coffee in various boutique brands, including more recently, MOTHERSKY.

256 *Fifth*, I accept that EB’s private concerns are legitimate factors for the Court’s consideration but they are outweighed in the present case by the public interest in not having marks included in the Register in respect of goods, in which no actual use and no future intention to attach the mark to those goods has been established: *Goodman Fielder* at [289] (Burley J); *Trident* at [178](Gleeson J).

257 There has never been any actual use of the MOTHER LOADED ICE COFFEE mark, and no relevant use of the MOTHERLAND mark during the MOTHERLAND Relevant Period has been established.

258 Nor do I consider that any speculation that the alleged “memorable and celebrated” MOTHERLAND campaign might remain relevant to the MOTHER brand and “could easily be revived or re-imagined” could enliven the exercise of the discretion. Further, to the extent there is evidence of other energy drink brands expanding into other beverage lines, such as flavoured milks and iced teas, this would only serve to increase the risk of confusion if marks that had not been used were permitted to remain on the Register.

259 *Sixth*, the innovation and cross promotion that consumers have seen in the MOTHER product range has been with respect to the flavours and tastes of energy drinks, not innovation directed at expanding its product offerings beyond energy drinks.

260 *Finally*, none of the other factors relied upon by EB to invite the exercise by the Court of its discretion to permit the MOTHER LOADED ICED COFFEE and MOTHERLAND marks to remain on the Register are sufficient to enliven the exercise of that discretion:

(a) in the absence of any relevant use of the marks, the question of whether there has been any “abandonment” does not arise;

(b) any residual reputation in the MOTHERLAND mark given its “continuing presence on the social media platforms of EB and third parties” is insignificant, particularly in circumstances where it was never used as a badge of origin for any MOTHERLAND branded products;

(c) the relevance of the acquisition by EB of TCCC’s MOTHER business within the MLIC Relevant Period to the exercise of the discretion is not explained; and

(d) EB’s intention to use the two marks by its lodgement of the new applications under Australian trade mark numbers 1935640 and 2005023, which are for the words “MOTHER LOADED ICED COFFEE” and “MOTHERLAND” respectively, have later priority dates, as EB acknowledges, and at best could only raise a prima facie presumption of intention to use.

# MOTHERSKY MARK – DECEPTIVE SIMILARITY

## Section 44 of the Act and relevant legal principles

261 Under s 44 of the Act, in order for a trade mark registration application to be rejected, it must be established that the trade mark is substantially identical with, or deceptively similar to, another trade mark with an earlier priority date, in the name of a person other than the applicant, in respect of similar goods or closely related services:

**44 Identical etc. trade marks**

(1) Subject to subsections (3) and (4), an application for the registration of a trade mark (***applicant’s trade mark***) in respect of goods (***applicant’s goods***) must be rejected if:

(a) the applicant’s trade mark is substantially identical with, or deceptively similar to:

(i) a trade mark registered by another person in respect of similar goods or closely related services; or

(ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and

(b) the priority date for the registration of the applicant’s trade mark in respect of the applicant’s goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

262 Section 14 of the Act provides that the expression “similar goods” includes “goods of the same description”.

263 In order to engage s 44 of the Act it is therefore necessary to establish the following elements:

(a) the impugned mark must be registered in respect of similar goods, including goods of the same description or closely related services to a trade mark registered to another person;

(b) the priority date for the marks alleged to be registered in respect of similar goods, including goods of the same description, or closely related services must be earlier than the priority date for the impugned mark; and

(c) the impugned mark must be substantially identical or deceptively similar to marks registered in respect of similar goods, including goods of the same description, or closely related services with a priority date earlier than the impugned mark.

264 The factors that need to be taken into account in determining whether goods are of the “same description” primarily include: *first*, the nature and characteristic of the goods and their origin; *second*, their purpose and the use to which they are put; and *third*, whether they are commonly dealt with in the same course of trade or business, sold to the same sort of customers or sold in the same shops, and whether those engaged in the manufacture and distribution of the goods are considered as belonging to the same trade (often described generally as “trade channels”): *Southern Cross Refrigerating Company v Toowoomba Foundry Proprietary Limited* (1954) 91 CLR 592 (***Southern Cross***) at 606 (Dixon CJ, McTiernan, Webb, Fullagar and Taylor JJ); *McCormick & Co Inc v McCormick* (2000) 51 IPR 102; [2000] FCA 1335 (***McCormick***) at [18] (Kenny J); *Goodman Fielder* at [279]-[280].

265 The Full Court in *Accor* found at [333]-[335] (Greenwood, Besanko and Katzmann JJ), that the principles stated in *Southern Cross* at 606 (Dixon CJ, McTiernan, Webb, Fullagar and Taylor JJ) and *Reckitt & Coleman (Australia) Limited v Boden* (1945) 70 CLR 84 at 94 (Dixon J, as his Honour then was, with whom McTiernan J agreed) relating to goods of the same description applied equally to the concept of services of the same description. The Full Court further noted that the Full Court in *MID Sydney Pty Ltd v Australian Tourism Company Ltd and Others* (1998) 90 FCR 236 (***MID Sydney***) at 243-4 (Burchett, Sackville and Lehane JJ) had reached the same conclusion.

266 Their Honours listed eleven features in *Accor* at [339] that would likely need to be considered in determining whether services (or goods) might properly be understood as services (or goods) of the same description as follows:

[T]he features to be considered are likely to includes these considerations:

(1) The inherent character of each of the services for which the trade mark is registered. That may emerge as a function of language but it is likely to be the subject of evidence: for example, what does “an hotelier” actually do? What precisely is involved in providing “property management services”?

(2) To whom are the services offered?

(3) How are they provided?

(4) How are they used?

(5) What is their purpose?

(6) Are they bundled together with other services?

(7) Are they differentiated by the functional level at which they are provided: wholesale or retail?

(8) Where do they originate?

(9) What is the method of their communication to the relevant target audience: is it predominantly by electronic means, domain names, websites, Twitter, Facebook or other means such as other trade brochures and journals?

(10) How closely contestable are the services in substance: are they in the same market or trade?

(11) How might consumers of the services perceive the services[?]

267 In *MID Sydney,* the Full Court found that hotel management services were not services of the same description as property management services. Their Honours found that the identification of discrete aspects of the provision of hotel management services, such as arranging tenancies for retail shops within the hotel and collecting rent, did not mean that the hotel thereby provided property management services. The Court concluded that it was not correct to characterise those activities as the provision of a separate service in relation to the property but rather they were simply an integral, if relatively minor, part of operating the hotel. It found that service takes its character from the overall nature of the business conducted, not incidental aspects of it: *MID Sydney* at 243. The approach to be taken to determining whether trade marks are substantially identical or deceptively similar was explained by the High Court in *Australian Woollen Mills Limited v F S Walton & Co Limited* (1937) 58 CLR 641 at 658 in the following often quoted and seminal passage of Dixon and McTiernan JJ:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded.

268 As the Full Court recently reiterated in *Urban Alley Brewery Pty Ltd v La Sirène Pty Ltd* [2020] FCAFC 186 at [99]-[100] (Middleton, Yates and Lee JJ), the test for deceptive similarity is not a studied comparison. Rather, it is a comparison between one mark and the impression carried away and hypothetically recalled, paying due regard to the fact that recollection is not always perfect. The relevant enquiry is whether one mark so closely resembles another mark that there is a “real tangible danger” of something occurring.

269 The approach to the question of whether one trade mark so nearly resembles another as to be likely to deceive was summarised by Lord Parker (then Parker J) in*Re Application by Pianotist Company Ltd* (1906) 23 RPC 774 at 777, as endorsed by the High Court in *Cooper Engineering Co Proprietary Limited v Sigmund Pumps Limited* [1952] HCA 15; (1952) 86 CLR 536 (***Cooper Engineering***) at 538 (Dixon, Williams and Kitto JJ):

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion—that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods—then you may refuse the registration, or rather you must refuse the registration in that case.

270 The specific controversy in *Cooper Engineering* was whether the trade mark “Rainmaster” should be refused because it was deceptively similar to “Rain King”. The Court dismissed the appeal from the decision of the Registrar of Trade Marks, dismissing the opposition by the proprietor of the Rain King trademark, and stated at 538-9:

In the present case the prefix of the two words is the same word “Rain”, but the suffix “master” differs from the suffix “King” in appearance and in sound. This makes the two marks as a whole quite distinct and the marks must be judged as a whole. “Rainmaster” does not look like “Rain King” and it does not sound like it. There is not a single common letter in master and in King. The two words are so unlike to the eye and to the ear that counsel for the appellant was forced to rely on the likelihood of deception arising from the two words conveying the same idea of the superiority or supremacy of the article as a mechanism for making a spray similar to falling rain or artificial rain as it was called during the argument. But it is obvious that trademarks, especially word marks, could be quite unlike and yet convey the same idea of the superiority or some particular suitability of an article for the work it was intended to do. To refuse an application for registration on this ground would be to give the proprietor of a registered trademark a complete monopoly of all words conveying the same idea as his trademark. The fact that two marks convey the same idea is not sufficient in itself to create a deceptive resemblance between them, although this fact could be taken into account in deciding whether two marks which really looked alike or sounded alike were likely to deceive. As Lord *Parker* said in the passage cited, you must consider the nature and kind of customer who would be likely to buy the goods. A purchaser of spray nozzles and sprinklers would not be likely to be lacking in discernment. He would not be in a hurry to buy. He would not be likely to pay any attention to the presence of a common word like rain in the combination. That prefix already appears in other trademarks for goods of the same description sold on the Australian market such as Rainwell, Rainmaker, Rain Queen, and Rainbow. The learned registrar was right in holding that the only similarity between the two marks is the common prefix “Rain” and that this similarity is not sufficient to create a reasonable likelihood of deception when the remaining portions of the marks are so different.

271 The practice of combining a common word with other words to form composite trade marks was also considered by the High Court in *Cantarella Bros Pty Limited v Modena Trading Pty Limited* (2014) 254 CLR 337; [2014] HCA 48. The plurality stated at [15] (French CJ, Hayne, Crennan and Kiefel JJ):

As in English, “gold” is used in Italian as a noun and has adjectival forms. Therefore, both the word “oro” and the form “d’oro” readily combine with other words to form composite trade marks, as in Cantarella’s registered trade marks “MEDAGLIA D’ORO” and “CHICCO D’ORO”. This can also be seen in examples of registered trade marks of numerous other registered proprietors in evidence at trial – “LAVAZZA QUALITA ORO plus device”, “CDO CASA DEL ORO plus device”, “PIAZZA D’ORO plus device”, “TAZZA D’ORO plus device”, “STELLA D’ORO” and “CREMA D’ORO plus device” – which are registered in respect of a variety of goods, including coffee. It was not contended that these registered composite marks, which included foreign words, were deceptively similar, whether visually, aurally or semantically.

272 The plurality subsequently stated at [75]:

The evidence led by Modena purporting to show that rival traders used (or desired to use) the word “oro” to directly describe their coffee products showed no more than that the word “oro” or the form “d’oro” had been employed on internet sites and coffee product packaging in respect of coffee products in a range of composite marks featuring Italian words which ostensibly were distinguishable aurally, visually and semantically. Further, the presence on the Register, before Cantarella’s trade mark “oro” was registered, of another proprietor’s composite mark “LAVAZZA QUALITA ORO plus device” and Cantarella’s own composite mark “MEDAGLIA D’ORO” in respect of coffee products fell well short of proving that the word “oro”, standing alone, is understood in Australia by persons concerned with coffee products to be directly descriptive of the character or quality of such goods.

273 As Davies J observed in *Sensis Pty Ltd v Senses Direct Mail and Fulfilment Pty Ltd* (2019) 141 IPR 463;[2019] FCA 719 at [125]:

*MID* is authority that, when comparing services, the focus is primarily on a comparison of the totality of the two services rather than the individual aspects of those services. The analysis is not to be conducted at such a granular level that the essential nature of the services is overlooked.

274 In a similar vein, Burley J stated in *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* (2018) (2018) 129 IPR 482; [2018] FCA 235 at [228]:

I have some difficulty with the proposition that the words “Bohemia” or “Bohemia Crystal” should in this context be regarded as having separate trade mark signification beyond the combination in which they appear in the composite marks described above. In my view, it is the combination of elements that is distinctive. The trade mark should be viewed as a whole and not dissected into parts. Although this is likely to be a matter of fact for each case, it is notable that several cases have cautioned against the proposition that separate elements should be so distilled; see *Diamond T Motor Car Co* [1921] 2 Ch 583 at 588, *Fry Consulting Pty Ltd v Sports Warehouse Inc (No 2)* (2012) 201 FCR 565; 288 ALR 727; 94 IPR 551; [2012] FCA 81 at [61], [63].

275 Trade marks are more easily distinguishable when the comparison is between an invented word with no ordinary meaning and a word with an ordinary meaning, rather than a comparison between two words that have no readily apparent meaning: *Shanahan’s* at [30.1520].

276 In *Oracle Corporation v Newcom Technologies Pty Ltd* (2000) 49 IPR 647 at 653, the Hearing Officer stated:

I also accept Mr O’Callaghan’s argument that the trade marks ORATEL and ORACLE are readily distinguished as the word “oracle” has known meanings in the English language by which it will be remembered whereas the word “oratel” does not. The entries for the word “oracle” in the *Oxford English Dictionary* are extensive and well known and I will not quote them here. However, I think that it is obvious that when the word “oratel” is encountered it is most unlikely that it could be mistaken for the word “oracle”.

## EB submissions

277 EB relies on the following marks for the purposes of s 44 of the Act:

(a) the MOTHER 388 mark;

(b) the MOTHER 858 mark;

(c) the MOTHERLAND mark; and

(d) the MOTHER LOADED ICED COFFEE mark.

(together, the **cited marks**.)

### Goods of the same description

278 EB contends that each of the cited marks satisfies the first element of s 44 of the Act because each is registered in respect of goods of the same description or are closely related services to the goods and services the subject of the MOTHERSKY registration.

279 EB advances three principal submissions in support of this contention.

280 *First*, as at the MOTHERSKY relevant date, “MOTHER” was and continued to be an unusual and unexpected word in the context of the goods the subject of the cited marks and the MOTHERSKY mark and was highly distinctive in respect of beverages.

281 EB submits that Cantarella’s evidence of other “MOTHER” trade marks appearing on the Register is irrelevant and ineffective. It submits that at most it is evidence of an intention to use a mark that is not supported by any evidence of actual marketplace use.

282 EB submits that the documents put to Ms Goonawardena in cross examination only served to demonstrate additional use of “Mother” in relation to “wholly irrelevant product categories” such as pickle, butter chicken recipe bases, a volunteer kitchen serving homeless and disadvantaged people in Sydney, an Indian curry house, a mug, a charity breast milk bank, whipped butter, and an online retailer selling baby car-seats.

283 EB also submits that the additional tender documents sought to be relied upon by Cantarella to establish use of “Mother” are irrelevant because none demonstrates use as at the MOTHERSKY Priority Date.

284 Further, EB submits that it follows that as at the MOTHERSKY Priority Date, the word “Mother” was, and continues to be, an unusual and an unexpected name in the context of the contested goods and is highly distinctive in respect of beverages.

285 *Second,* there is a significant overlap in the goods the subject of the cited marks and the MOTHERSKY mark in their nature and purpose and their common distribution channels.

286 EB submits that there is a proximity between the marks themselves *and* the goods/services to which the marks are applied. EB submits that taking into account the nature of coffee, coffee beans and chocolate being relatively inexpensive and likely to be self-selected, this proximity suggests a likelihood that a number of persons would be caused to wonder (or entertain a reasonable doubt) as to whether the MOTHER and MOTHERSKY products come from the same source.

287 *Third*,non-alcoholic and alcoholic beverages are logical brand extensions and licence opportunities for a coffee/chocolate manufacturer.

288 EB points to the extension of Cantarella’s flagship brand VITTORIA and its derivative brand SANTA VITTORIA to drinking chocolate, soft-drinks, iced tea and mineral waters and its WILL&CO boutique coffee mark to drinking chocolate, RTD cold brew and iced coffee products and CB’s competitors using their coffee brands, including CAMPOS COFFEE and SINGLE O COFFEE in respect of similar products, including RTD cold brew, iced coffee, iced latte and nitro “coffee in a can” products.

### Priority dates

289 EB submits that each of the cited marks satisfies the second element of s 44 of the Act because each has a priority date earlier than the MOTHERSKY Priority Date of 11 January 2017.

### Deceptively similar

290 EB submits that each of the cited marks satisfies the third element of s 44 of the Act because each was “deceptively similar” to the MOTHERSKY mark. It advances the following propositions in support of that contention.

291 *First*, each shares the word “Mother”. This is submitted to be the “common, dominant and essential feature (and idea) of each of the marks”.

292 *Second*, the word “Mother” is highly distinctive and therefore memorable in respect of beverages and coffee and related services.

293 *Third*, the entirety of the two MOTHER marks are incorporated into the MOTHERSKY mark, with the suffix SKY appearing as a second element.

294 *Fourth*, with respect to the MOTHERLAND mark, the addition of the SKY and LAND suffixes have “obvious conceptual synergies”, reinforced by the marketing strategies for MOTHERSKY to emphasise the idea of a connection to the Australian landscape.

295 *Fifth*, with respect to the MOTHER LOADED ICED COFFEE mark, the additional words “LOADED ICED COFFEE” are descriptive of beverages and should be given little weight; the comparison should focus on MOTHERSKY versus MOTHER (loaded iced coffee).

296 *Sixth,* the registration of the MOTHERSKY mark as a word mark is not limited to any colour, font or style. Cantarella could use it in the future in a way that would make “MOTHER” more prominent. By way of example, it could be depicted as “MOTHER Sky” or “MOTHERsky”.

## Cantarella submissions

### Goods of the same description

297 Cantarella accepts that, at least with respect to “coffee”, “chocolate” and “cocoa”, the MOTHER LOADED ICED COFFEE mark is registered in respect of similar goods or closely related services to the MOTHERSKY mark and that the mark has an earlier priority date to MOTHERSKY.

298 Cantarella submits that the MOTHERLAND registration does not include the same goods or services as those the subject of the MOTHERSKY application. Therefore, Cantarella submits, regardless of what may or may not be comprehended as “coffee”, the MOTHERLAND mark does not encompass anything comprehended within the expression of “coffee”, and the goods in respect of MOTHERLAND are not closely related to the services the subject of the MOTHERSKY application.

299 Cantarella also submits that the goods in respect of which the MOTHER marks are registered are neither the same goods nor goods of the same description as those the subject of the MOTHERSKY mark application.

### Priority dates

300 Cantarella accepts that each of the cited marks has an earlier priority date than the MOTHERSKY mark.

### Deceptively similar

301 Cantarella submits that the MOTHERSKY mark is not deceptively similar to the MOTHER LOADED ICED COFFEE mark as the two marks are very different visually, aurally and conceptually. It submits that one is a short three syllable invented word with no inherent connection to any particular goods or services and the other is a seven syllable sentence which is entirely bound to the discrete product it references.

302 In answer to EB’s contention that the “LOADED ICED COFFEE” portion of the MOTHER LOADED ICED COFFEE mark ought to be given little weight because it is descriptive, Cantarella submits that to the extent that EB’s evidence on this issue was of any relevance (which it submits is not apparent), all that it serves to do is emphasise that, were the mark to ever be used, all it would communicate to consumers is that the product bearing the mark is iced coffee “loaded” with MOTHER energy drink. In contrast, it submits that the use of MOTHERSKY in relation to coffee communicates no such thing.

303 Cantarella submits that the MOTHERSKY mark is not deceptively similar to the MOTHERLAND mark for the reasons that it advances in relation to the MOTHER marks, as summarised below. Further it submits that EB’s contention that there are “obvious conceptual synergies” between MOTHERSKY and MOTHERLAND is both unexplained and incorrect. It submits that MOTHERLAND is a word with a known meaning and MOTHERSKY is an invented word with no meaning and therefore any comparison between the two marks is less likely to finding of deceptive similarity.

304 Cantarella submits that the MOTHERSKY mark is not deceptively similar to the MOTHER marks for the following reasons:

(a) the marks are different visually, aurally and in the idea which they connote — “Mother” is a word with a well-known meaning in English, unlike Mothersky which is a combination of two different words that create a word with no established meaning or definition;

(b) the “SKY” element of MOTHERSKY is both visually and aurally significant and does not, contrary to EB’s submissions, appear as a qualifier or variant;

(c) “Mother” is not an unusual or an unexpected name in the context of goods;

(d) the evidence given by Ms Stacey of other uses of the word “Mother” in combination with other words is not irrelevant and cannot be readily dismissed;

(e) it is incorrect to dissect the MOTHERSKY mark and place undue weight on “MOTHER”— it is necessary to consider the trade mark as a whole; and

(f) there is no basis for the alleged concern that MOTHERSKY could be used in a manner that emphasises “mother”, as it has consistently been used as a complete and uniform mark.

## Consideration

### Goods of the same description

305 In order to satisfy the first element of s 44 of the Act, EB needs to demonstrate that the goods and services the subject of the MOTHERSKY registration are similar goods, including goods of the same description, or closely related services to the goods and services the subject of the cited marks’ registrations.

306 As explained above, the MOTHERSKY mark is registered with respect to the following goods “coffee, coffee beans and chocolate” and the following services “coffee roasting and coffee grinding”.

307 Turning first to the MOTHER LOADED ICED COFFEE mark, it is common ground that the MOTHER LOADED ICED COFFEE and MOTHERSKY registrations cover goods of the same description, at least with respect to “coffee”, “chocolate” and “cocoa”.

308 I also accept, as submitted by EB, that “coffee” is closely related to the services of “coffee roasting; coffee grinding” because the grinding and roasting is performed on coffee beans. There is a sufficient functional relationship to give rise to that conclusion. As a general proposition services which provide for the installation, operation, maintenance or repair of goods are likely to be treated as closely related to them: *Woolworths* at [38] (French J).

309 I do not accept that “flavoured milk beverages” are goods of the same description as “coffee; coffee beans; chocolate”. At a significant degree of abstraction both might be characterised as “non-alcoholic beverages” but that ignores their fundamentally different taste and flavour and the manner in which they are presented for sale and consumed.

310 The purchase of a refrigerated product in a cardboard or plastic bottle for immediate consumption bears little relationship to the purchase of coffee beans or other coffee products such as ground coffee and coffee in capsule form for the purposes of then grinding, roasting or brewing to produce a cup of coffee for consumption.

311 Further, contrary to EB’s submissions, the extension of Cantarella’s flagship brand VITTORIA and its derivative brand SANTA VITTORIA to drinking chocolate, soft-drinks, iced tea and mineral waters and its WILL&CO boutique coffee mark to drinking chocolate, RTD cold brew and iced coffee products and CB’s competitors using their coffee marks in respect of similar products, do not give rise to a sufficiently close relationship between the respective goods to which the marks are applied to conclude that “flavoured milk beverages” and “coffee” are goods of the same description. I accept that such evidence is relevant to the issue of whether goods might be considered to be goods of the same description but it is only one factor to be considered and is not determinative. In the current context, given the stark and plain differences in the character of flavoured milk beverages and coffee and the other matters considered above, it carries little weight in the necessary overall evaluative assessment of whether the two products are similar goods.

312 I turn next to consider whether the goods and services the subject of the registration of the MOTHERSKY registration are similar goods or closely related services to the goods and services the subject of the registrations of the MOTHER marks and the MOTHERLAND mark.

313 The goods and services the subject of the registrations of the MOTHER marks and the MOTHERLAND mark are relevantly “carbonated soft drinks, energy drinks and sports drinks” and “non-alcoholic beverages”, the syrups, concentrates and powders for making each of them (**first category goods**), and “alcoholic beverages (except beers)”, “distilled spirits” and “liqueurs” (**second category goods**).

314 At a significant level of abstraction the first category goods and, at least, “coffee” could both be characterised as “non-alcoholic beverages” and at an even greater level of abstraction the second category of goods and, at least, “coffee” could be characterised as “beverages”. Such characterisations, however, again ignore the fundamentally different taste and flavour of carbonated soft drinks, energy drinks and sports drinks, the manner in which they are presented for sale and consumed and the differences in form, function and origin between syrups, concentrates and powders and coffee beans, ground coffee and coffee in capsule form.

315 In addition, with respect to the second category goods, a characterisation of goods at the level of “beverages” ignores the essential differences between an alcoholic and non-alcoholic beverage, in particular with respect to the impact of licensing and regulatory requirements on the age at which it can be consumed, where and in what circumstances it can be consumed and the manner in which it may be promoted, marketed and sold.

316 Further, as explained above, I do not accept that the evidence directed at common distribution channels and the extension by Cantarella and its competitors of their coffee marks to other products is determinative.

### Priority dates

317 It is common ground that the priority dates for each of the cited marks is earlier than the priority date for MOTHERSKY. The second element of s 44 of the Act is thus satisfied for each of the cited marks.

### Deceptively similar

318 I turn now to consider whether EB has demonstrated that the MOTHERSKY mark was “deceptively similar” to any of the cited marks. EB does not contend that the MOTHERSKY mark was “substantially identical” with any of the cited marks.

319 In my view, the impression hypothetically recalled of MOTHERSKY and each of MOTHER, MOTHER LOADED ICED COFFEE and MOTHERLAND is not sufficient to give rise to a resemblance between MOTHERSKY and each of the cited marks that would be likely to deceive or cause confusion.

320 Visually, aurally and the idea that MOTHERSKY connotes are materially different to the cited marks.

321 Visually, MOTHER and MOTHER LOADED ICED COFFEE retain “Mother” as a separate word and unlike MOTHERSKY, MOTHERLAND is an established and well known word.

322 The differences between MOTHERSKY and the cited marks are more pronounced than other marks that have been found to be deceptively similar notwithstanding that the differences between them would be readily apparent to a consumer. In *Vivo International Corporation Pty Ltd* *v* *Tivo Inc* (2012) 99 IPR 1; [2012] FCAFC 159 (***Vivo v Tivo***), Nicholas J provided (at [145]-146]) the following examples of marks that had been found to be deceptively similar even though the differences between them would have been readily apparent to a consumer: “JESTS” and “EASYJESTS” (*Re John Fitton & Co Ltd’s Application* (1949) 66 RPC 110); “MONOPOLY” and “MUSICOPOLY” (*Tonka Corporation v Chong* (1994) 29 IPR 253); “YELLOW PAGES” and “YELLOWNET” (*Telstra Corporation Ltd v Yellownet Corporation* (1999) 44 IPR 415); “CAT” and “LANDCAT” (*Caterpillar Inc v Amco (Vic) Pty Ltd* (2000) 49 IPR 407); and “POLO” and “POLO CLUB” (*Polo Textile Industries Pty Ltd v Domestic Textile Corporation Pty Ltd* (1993) 42 FCR 227).

323 I accept that ultimately any comparison between marks is necessarily impressionistic but I am satisfied in the present case that the overwhelming emphasis and impression conveyed by the cited marks is on the word “Mother”, either as a distinct word or in the case of MOTHERLAND as a single easily recognisable word with an established meaning. Unlike the cited marks, the MOTHERSKY mark comprises a single invented word, where “Mother” is absorbed within the word “Mothersky” and the emphasis and impression conveyed is not on the word “Mother”.

324 Aurally, the emphasis is on “Mother” for each of the cited marks, whereas the emphasis orally for MOTHERSKY is more on the second syllable “Sky” rather than “Mother”, unlike the position with respect to “CAT” and “LANDCAT” and the emphasis in “MONOPOLY” and “MUSICOPOLY”.

325 Nor does MOTHERSKY exhibit a strong phonetic similarity with MOTHER, MOTHER LOADED ICED COFFEE and MOTHERLAND, such that consumers of ordinary memory and intelligence with an imperfect recollection might consider the marks to be related, unlike with marks such as “TiVo” and “Vivo”: *Vivo v Tivo* at [159] (Nicholas J).

326 As to the idea that each connotes, I am satisfied that the word “mother” is a commonly used word and when it is combined with other words that are descriptive of services or goods it conveys distinct and different meanings. The addition of the words “loaded iced coffee” in the MOTHER LOADED ICED COFFEE mark act as a qualifier or variant to MOTHER, and describe a specific type of product.

327 By way of contrast, the addition of the word “Sky” in MOTHERSKY does not act as a qualifier or variant to MOTHER, and cannot describe a specific type of product. Nor, as the Delegate in the MOTHERSKY application noted, does it bear any relationship to the other Mother-derivatives in EB’s stable of trade marks: MOTHERSKY decision at [22].

328 I do not accept that there are any “obvious conceptual synergies” between “MOTHERLAND” and “MOTHERSKY”. MOTHERLAND evokes an impression of a native country or homeland, neither of which meanings are conveyed by MOTHERSKY. The addition of “land’ to “mother” creates a generic established word in stark contrast to the addition of “sky” to “mother” that creates a highly distinctive novel word with no established meaning.

329 I am also satisfied that the evidence of Ms Stacey discloses earlier uses of the word “Mother”, in combination with descriptive words in a trade mark, in a number of different fields.

330 Further, I am satisfied, given the complete and uniform use to date of the MOTHERSKY mark by Cantarella that there is no basis for the alleged concern of EB that at some time in the future Cantarella may seek to place greater emphasis on the “MOTHER” component of MOTHERSKY. Unlike the position with EB, there would there appear to be no commercial rationale for Cantarella to do so. EB sells MOTHER energy drinks and therefore has every incentive to highlight the MOTHER component in its derivative marks. Cantarella relevantly sells MOTHERSKY branded coffee, not MOTHER branded coffee.

# MOTHERSKY MARK – LIKELIHOOD OF DECEPTION OR CONFUSION

## Section 60 of Act and relevant legal principles

331 Section 60 of the Act provides:

**60 Trade mark similar to trade mark that has acquired a reputation in Australia**

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) another trade mark had, before the priority date for the registration of the first‑mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first‑mentioned trade mark would be likely to deceive or cause confusion.

332 Section 60 of the Act prevents the registration of a trade mark if it is likely that it would deceive or cause confusion because of the reputation in Australia of another trade mark as at the priority date.

333 The reputation of a mark in this context “connotes the ‘recognition of [the mark] by the public generally’ and includes the credit, image and values projected by the trade mark”: *Monster Energy Company v Mixi Inc* (2020) 156 IPR 378; [2020] FCA 1398 (***Monster***) at [14] (Stewart J) citing *McCormick* at [81] and [85] (Kenny J).

334 The likelihood of deception or confusion from the use of the opposed mark must arise because of the reputation of the other mark: *Monster* at [18]. The relevant comparison is between the reputation established from actual use of that mark and a notional normal and fair use of the mark sought to be registered in respect of each of the goods or services covered by the specification: *Monster* at [18], citing *Vivo International Corporation Pty Ltd v Tivo Inc* (2012) 99 IPR 1; [2012] FCAFC 159 at [113]-[114] (Nicholas J, with whom Dowsett J agreed).

335 There is no requirement to establish that the allegedly conflicting marks are substantially identical or deceptively similar in order to establish an objection under s 60 of the Act. The relevant question is the prior reputation of the allegedly conflicting marks but the degree of similarity between conflicting marks may be a relevant consideration to take into account in assessing the likelihood of confusion from any use of the opposing mark: *Monster* at [20], citing *Qantas Airways Ltd v Edwards* (2016) 119 IPR 271; [2016] FCA 729 at [142] (Yates J).

336 In practice, reputation is often inferred from a high volume of sales, substantial advertising expenditure and other promotions without direct evidence of consumer appreciation of a particular mark, as opposed to the product. Public awareness of and regard to a mark tends to correlate with sales volumes of products with which the mark is associated: *McCormick* at [86] (Kenny J), citing *Toddler Kindy Gymbaroo Pty Ltd and Others v Gymboree Pty Ltd* *and Others* (2001) 51 IPR 1; [2001] FCA 618 at [94] (Moore J); *Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd* (1997) 38 IPR 495 at 499, 506 (Heerey J).

337 A mere possibility of deception or confusion is not sufficient there must be a real and tangible danger of it occurring: *Southern Cross* at 595 (Kitto J) citing *Reckitt & Coleman (Australia) Ltd v Boden* (1945) 70 CLR 84 at 94, 95; *Sym Choon & Co Ltd v Gordon Choons Nuts Ltd* (1949) 80 CLR 65 at 79; see also *Woolworths* at [43] (French J, as his Honour then was).

338 It is sufficient, however, if the use of the mark would cause a number of persons to cause to wonder and entertain a reasonable doubt as to whether the two products came from the same source: *Southern Cross* at 595 (Kitto J).

## EB submissions

339 EB submits that there is a real risk that consumers familiar with the MOTHER marks and the wide variety of ways and contexts in which EB has used them will have cause to wonder whether goods (or services) bearing the MOTHERSKY mark are produced by or otherwise associated with EB or the MOTHER brand. EB contends that there is a real and tangible danger that Cantarella’s (notional) use of MOTHERSKY will cause confusion for the following principal reasons.

340 *First*, EB submits there is no doubt that as at the MOTHERSKY Priority Date, EB’s MOTHER marks had acquired an extensive reputation in Australia. It submits that reputation included the use of “mother” in combination with other words, taglines and slogans and EB’s (and TCCC’s) history of promoting the stimulant qualities of its drinks, especially caffeine, and includes consumer awareness of EB’s involvement in brand extension and cross promotion.

341 *Second*, against this reputation, EB submits the MOTHERSKY mark shares the distinguishing element “mother” and is sought to be registered in respect of coffee and related goods and services. Being a word mark, its notional use would include other ways in which the MOTHER element could be further emphasised, such as MOTHER SKY or MOTHERsky.

342 *Third*, EB submits any assessment of the notional use of the MOTHERSKY mark must take into account the full range of use in relation to “coffee”. It contends that coffee encapsulates much more than pure coffee. It submits that it includes RTD and pre-packaged coffee beverages such as iced coffee, cold brew coffee, “coffee-in-a-can” products and filtered coffee, as well as other coffee products such as instant coffee, flavoured coffee including mocha, coffee capsules, coffee concentrates and coffee bags.

343 *Fourth*, EB submits the evidence of the surrounding circumstances discussed above establishes that coffee companies, including Cantarella, market and sell their products through common distribution channels, similarly promote the stimulant qualities of their products, similarly engage in product expansion and joint ventures and market their RTD products in similar (sometimes mimicking) ways to energy drink companies, and towards the same class of consumer.

344 EB also submits that the MOTHER mark is not limited to the gothic script representation, and that MOTHER is used in other fonts in promotional material, typically as the masthead for key advertising campaigns, and aurally in radio and television advertisements.

## Cantarella submissions

345 Cantarella submits that there is no real or tangible danger of deception or confusion because MOTHERSKY is an entirely different mark that is used in an entirely different market.

346 Cantarella submits that EB’s reputation in the MOTHER mark is deep but narrowly focused by reason of the following matters:

(a) EB markets only energy drinks by reference to the MOTHER mark;

(b) EB has consistently used the MOTHER logo as an individual word in distinguishing gothic print;

(c) the MOTHER logo is the essential element of the energy drink products sold and marketed by EB and is displayed prominently and consistently on cans and marketing material;

(d) EB has sold large numbers of products, and undertaken extensive marketing of energy drinks, using the MOTHER logo;

(e) EB’s marketing has focused on a particular target market, a younger and male-dominated demographic; and

(f) The evidence does not demonstrate the use of “MOTHER formative” marks, or a “family” of MOTHER marks.

347 Cantarella submits that its use to date of the MOTHERSKY mark is with respect to goods manifestly different to the energy drink market in which EB has used the MOTHER mark. It submits that coffee is a particular type of beverage, not simply a beverage, and the coffee products that it sells are not sold as beverages, but rather coffee beans from which beverages can be produced.

348 Cantarella further submits that in the context of the reputation that EB has in the MOTHER mark, the use of the MOTHERSKY mark (within the applied for monopoly) could not be likely to deceive or cause confusion because:

(a) the marks are different visually, aurally and in the idea which they connote: “MOTHER” has a well-known meaning, whereas MOTHERSKY is a combination of two different and distinct words, which put together have no definition or meaning;

(b) relatedly, MOTHERSKY does not suggest any particular product or service inherently, and therefore does not prompt consumers to consider that it represents a flavour or extension of another product category;

(c) EB’s reputation arises in the extensive use of the MOTHER mark in relation to energy drinks as reflected in the Monster US SEC filings that refer to MOTHER as a line of “carbonated energy drinks”; and

(d) the evidence establishes that energy drinks are in a relevantly different market to coffee.

349 In addition, Cantarella submits that EB’s reference to other brands used by Cantarella expanding into different markets is irrelevant and only serves to emphasise that the relevant enquiry is whether deception or confusion is likely due to EB’s reputation inthestylised MOTHER logo. Cantarella contends that consumers may expect a pure coffee brand (such as CAMPOS COFFEE) to extend in those ways, in light of previous extensions into other markets. Contrastingly, MOTHER has only ever been used in relation to energy drinks.

## Consideration

350 I am satisfied that EB’s reputation in the MOTHER mark is correctly described as deep but narrowly focused for the reasons advanced by Cantarella. As the Delegate in the MOTHERSKY decision stated at [42]:

[T]he evidence only shows use on energy drinks; this is not a situation where the Opponent uses its trade marks (or parts of the trade marks) on other beverages or foodstuffs which might induce a consumer into believing that the Opponent has expanded into chocolate or coffee. The strength of the Opponent’s reputation in the Mother Trade Marks in relation to energy drinks reduces the likelihood of confusion or deception from the use of the Trade Mark on, or in relation to, the Applicant’s Goods and Services to something less than ‘real and tangible’.

351 *First*, I accept that as at the MOTHERSKY Priority Date, EB’s MOTHER marks had acquired an extensive reputation in Australia in relation to energy drinks. That reputation had arisen from the variety of retail outlets in which those products were sold; the “substantial” figures pertaining to “Mother brand retail sales”, including at least 317 million cans sold since June 2015 and its extensive marketing and promotional campaigns.

352 *Second*, I do not accept that any similarities between prompts and taglines used in relation to energy drinks by EB and coffee companies in promoting or marketing their products can relevantly give rise to any real or tangible danger of confusion.

353 At a general level, both energy drinks and coffee might be thought to be stimulants. Energy drinks may typically contain at least some quantity of caffeine; coffee may, at times, be marketed as some form of “wake up” or “pick up”; and both may be sold through the same distribution channels. However, caffeine cannot simply be equated with coffee and references to the presence of caffeine in both coffee and energy drinks cannot in my view give rise to any real or tangible danger of confusion in the minds of consumers.

354 *Third,* EB’s reputation included the use of “MOTHER” in combination with other words, taglines and slogans but only in the context of the sale of energy drinks. The sublines or variants of the original MOTHER branded energy drink, such as MOTHER BIG SHOT, MOTHER LEMON BITE, MOTHER GREEN STORM and MOTHER PASSION serve to differentiate flavours and perceived attributes of MOTHER energy drinks, but in each case the word MOTHER remains the prominent brand and is used without any prefix or suffix.

355 *Fourth,* the depiction of the MOTHER mark with its stylised gothic print on EB’s energy drinks and in promotional and advertising material is fundamental to the use of the MOTHER mark as a trade mark. I accept Cantarella’s submission that references to “Mother” in non-gothic script in social media do no more than invite recollection of the known gothic script in cans and other advertising, where “mother” is used by EB without the gothic script, it is closely accompanied by the MOTHER logo and radio advertisements which refer to “mother” invite listeners to recall and associate the word “mother” with the stylised MOTHER logo.

356 As O’Bryan J stated in *Rodney Jane Racing Pty Ltd v Monster Energy Company* (2019) 370 ALR 140; 142 IPR 275; [2019] FCA 923 at [98] with respect to the use of the stylised MONSTER mark with its distinctive device that is referred to as the “M-icon” (that resembles a claw mark or scraping that might be made by a figurative monster):

… MEC draws attention to the occasions on which it, or consumers, use the plain word “Monster” when referring to MEC or its energy drink products. However, the plain word is never used as a brand. It is only ever used in written communications by MEC, such as a brochure that contains a written description of branded merchandise (for example, Monster10.0084-6. T-shirt) or point of sale material (Monster cooler), or written communications by consumers on social media writing a response to a post from MEC or a sponsored athlete. Such use is always associated with, proximate to and never separate from, the other distinctive MEC marks, being the M-icon and the stylised “Monster Energy”.

357 *Fifth,* the extent to which Cantarella and other coffee companies, in particular CAMPOS COFFEE, have expanded the use of their brands to products other than coffee does not give rise to any likelihood of deception or confusion because these are different products in different markets. Moreover, the relevant enquiry is the likelihood of deception or confusion arising from EB’s reputation in the MOTHER brand, a reputation acquired exclusively for energy drinks. EB has not sought to expand the use of MOTHER to products other than energy drinks.

358 *Sixth*, the MOTHERSKY mark shares the element “Mother” but only as part of a composite invented word with no established meaning. Although as a word mark, its notional use would include other ways in which the MOTHER element could be further emphasised, such as MOTHER SKY or MOTHERsky, I am not satisfied, however, for the reasons explained above at [330], that there is any reasonable basis for such a concern.

359 *Seventh*, any assessment of the notional use of the MOTHERSKY mark must take into account the full range of use in relation to “coffee”, but there remains a fundamental distinction between “coffee” and “energy drinks” that is not materially diminished by the existence of RTD and pre-packaged coffee beverages such as iced coffee, cold brew coffee, “coffee-in-a-can” products.

360 *Eighth*, the sale of energy drinks and coffee, including coffee products sold by Cantarella, through common distribution channels is of little probative value. Supermarkets, retail outlets such as Target and Kmart and convenience stores offer a broad range of products for sale to consumers, more relevant is how the products are displayed for sale, their brand image, the means by which they are promoted and advertised for sale, and to whom they are marketed.

361 The evidence summarised above in the Evidentiary Background demonstrates that coffee and energy drinks are displayed for sale in different ways and generally in different areas of supermarkets and convenience stores.

362 *Ninth*, the marketing and promotion of energy drinks and coffee is fundamentally different. They have different brand images and are promoted and marketed to different classes of consumers in different ways. The marketing and advertising of MOTHERSKY coffee is directed at the growing connoisseur aspect of the Australian coffee market as a high-quality coffee product with a refined taste. MOTHER energy drinks are promoted and advertised as a “high energy and rebellious product” to a target audience of 18 to 34 year olds, employing brand pillars of adventure and music, with a particular emphasis on the use of social media and the sponsorship of live music events, including with MOTHER branded “ball pits” and photo booths.

363 The references in marketing and advertising of coffee products to caffeine, the stimulant attributes of coffee giving a “hit”, “fix”, “kick”, “energy”, a “wake up” or a “pick up” tool, a boost to productivity, to combat the feeling of tiredness and other similar attributes do not materially detract from the fundamental differences in the promotion and marketing of energy drinks and coffee. Two products may be promoted and marketed with overlapping claimed attributes but any evaluation of the extent of any similarity in the manner in which the products are promoted and marketed must also have regard to the target audience and the specific means by which any distinguishing brand pillars are promoted and marketed.

364 In the course of his cross examination, Mr Creswick acknowledged that certain characterisations of selective marketing by coffee companies put to him “made sense” and he “expected” that was their pitch. The following exchange after giving that evidence, however, is instructive:

And so, Mr Creswick, you would agree, wouldn’t you, that a common aspect of coffee marketing in Australia picks up the notion of the stimulating benefits of caffeine in coffee helps one get going in the morning?---It is – it is a – it is a selling benefit that is promoted. It’s not the main selling benefit of coffee in the experience of coffee that we promote and that I see generally. A lot of it is about taste and flavour and the experience of having a coffee as opposed to the – the simple delivery of energy or stimulation.

Thank you. And then the second element was another – I’m putting to you that another common – I’m sorry. Another aspect picked up in coffee marketing in Australia is the stimulant effect of caffeine helping the drinker keep going through the date. Do you agree?---Yes. It is an argument that’s used.

And I suggest to you that it’s used often?---I mean, if my often or the majority, the majority of the premium coffee advertising that we see in market is based around taste and flavour, for example, higher quality coffees using Arabica coffee beans actually have a lower caffeine content, so is less about the delivery of the high levels of caffeine, but more about the attributes and the flavour and the taste of the beverage.

Thanks. And if one is not focussing specifically on premium coffee brands, but coffee as a drink generally, you would agree, wouldn’t you, that those two qualities, that is, getting going in the morning and keeping going through the day, are regular features of coffee marketing in Australia?---They’re definitely used. And we’ve seen examples of that. But it’s not the – it’s not the only argument around – around coffee. And even cheaper coffees tend not to claim levels of caffeine. A lot of it is about – still about taste and flavour.

365 Mr Creswick, although pressed, did not resile from his evidence that the marketing of coffee is focused on the taste and flavour and the experience of having a coffee rather than the delivery of energy and stimulation. His evidence is generally consistent with the many examples of the marketing of coffee by taste, effect on the palate, consumption experience, quality (including source) of the bean that were in evidence and summarised in Schedule A to Cantarella’s closing written submissions.

366 The taste and flavour of energy drinks is very different to coffee. The following evidence given by Mr Thiele is instructive:

And I will ask you one more time, and I won’t go back to it. And you agree that you’ve always understood that the rough teaspoon sugar content of the original energy drink is in the order of – I will make it a bit easier for you – around 10 teaspoons of sugar?---It was roughly around that amount, yes.

Right. And if we could then turn to the next page, which is page 5 of this document. And under nutritional info, sizes, it says:

*An explosive blast of fruity pineapple and orange flavours with a refreshing energy hit.*

Again, may we take it you would accept that that is an accurate description of the flavours of this version of the product, namely the Tropical Blast?---I’m trying to remember whether it had the mango in there. I think it was mostly pineapple and orange. May have had some mango component in there as well, but that surprises me a little bit.

367 *Tenth*, the extent of EB’s success in creating such a powerful reputation in the MOTHER marks in connection with energy drinks reduces the likelihood of confusion or deception from the use of the MOTHERSKY mark on or in relation to Cantarella’s goods and services to something less than real or tangible.

368 For the reasons outlined above, I am not satisfied that EB has established that the use of the MOTHERSKY mark is likely to deceive or cause confusion due to the reputation of the MOTHER marks. The s 60 ground cannot succeed.

# MOTHERSKY MARK – UNLAWFULNESS

## Section 42(b) of the Act and relevant legal principles

369 Section 42(b) of the Act provides:

**42 Trade mark scandalous or its use contrary to law**

An application for the registration of a trade mark must be rejected if:

…

(b) its use would be contrary to law.

370 The relevant unlawfulness must arise from the use of the mark itself and it is necessary to establish that its use *would*, rather than *could*, be contrary to law: see *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683 at [28] (Madgwick J); *Primary Health Care Limited v Commonwealth of Australia* [2017] FCAFC 174 at [411].

371 A hypothetical future contravention of provisions proscribing misleading and deceptive conduct or false and misleading representations has long been recognised as a legitimate basis for opposition under s 42(b): *Monster* at [23] (Stewart J) citing *Health World Ltd v Shin-Sun Australia Pty Ltd* (2005) 64 IPR 495; [2005] FCA 5 at [44] (Cooper J).

372 EB submitted that consumers would be likely to be misled or deceived into believing that the goods and services under the MOTHERSKY mark are those of EB or somehow affiliated with EB in contravention of s 18 of the ACL. Further, it submitted that offering the goods and services suggests that Cantarella is associated or affiliated with EB or that Cantarella has obtained a sponsorship or approval from EB, in contravention of s 29 of the ACL. EB also argued that Cantarella’s use of the MOTHERSKY mark amounted to passing off.

373 The relevant provisions of the ACL are as follows:

**Section 18 Misleading or deceptive conduct**

(1) A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

…

**Section 29 False or misleading representations about goods or services**

(1) A person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services:

…

(g) make a false or misleading representation that goods or services have sponsorship approval, performance characteristics, accessories, uses or benefits;

(h) make a false or misleading representation that the person making the representation has a sponsorship, approval or affiliation;

374 The relevant principles and authorities in relation to ss 18 and 29 of the ACL are well established. They were usefully distilled by Stewart J in *Monster* at [25] to [33]. If I might gratefully adopt his Honour’s review these principles can be summarised as follows.

375 *First*, there is no material difference between the phrase “misleading or deceptive” in s 18 and the phrase “false or misleading” in s 29: *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* (2014) 317 ALR 73; [2014] FCA 634 (***Coles***) at [40] (Allsop CJ); *Australian Competition and Consumer Commission v* *TPG* *Internet Pty Ltd* (2020) 278 FCR 450; [2020] FCAFC 130 (***TPG FCAFC***) at [21] (Wigney, O’Bryan and Jackson JJ).

376 *Second*, it is necessary to identify the impugned conduct and then to consider whether that conduct, considered as a whole and in context, is misleading or deceptive or likely to mislead or deceive: *Coles* at [38], citing *Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435; 99 IPR 197; [2013] HCA 1 (***Google***) at [89], [102] and [118] (Hayne J); *Campomar Sociedad, Limitada v Nike International* *Limited* (2000) 202 CLR 45; 46 IPR 481; [2000] HCA 12 (***Campomar***) at [100]–[101] (Gleeson CJ, Gaudron, McHugh, Gummow, Kirby, Hayne and Callinan JJ). In the present case, the impugned conduct is the normal and fair use of the MOTHERSKY mark in relation to the goods and services specified in the application. The enquiry then shifts to whether that conduct, considered as a whole and in context, is misleading or deceptive or likely to mislead or deceive.

377 *Third*, conduct is misleading or deceptive or likely to mislead or deceive if it has the tendency to lead into error, that is, there is a sufficient causal link between the conduct and the likely error on the part of persons exposed to the conduct: *Coles* at [39], citing *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640; [2013] HCA 54 (***TPG HCA***) at [39] (French CJ, Crennan, Bell and Keane JJ). Conduct is likely to mislead or deceive if there is a real and not remote chance or possibility that a person is likely to be misled or deceived: *Global Sportsman Pty Ltd v Mirror Newspapers Pty Ltd* (1984) 2 FCR 82 at 87 (Bowen CJ, Lockhart and Fitzgerald JJ); *Butcher v Lachlan Elder Realty Pty Limited* (2004) 218 CLR 592; [2004] HCA 60 at [112] (Gleeson CJ, Hayne and Heydon JJ); *TPG FCAFC* at [22(a)].

378 *Fourth*, unlike under s 60 of the Act, contraventions of ss 18 and 19 of the ACL are not established by demonstrating that use of the MOTHERSKY mark would be confusing or would cause wonderment: *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 (***Puxu***) at 198 (Gibbs CJ); *Google* at [8] (French CJ, Crennan and Kiefel JJ).

379 *Fifth*, it is necessary to view the conduct as a whole and in its proper context. This will or may include consideration of the type of market, the manner in which the goods are sold, and the habits and characteristics of purchasers in such a market: *Coles* at [41], citing *TPG HCA* at [52]; *Puxu* at 199.

380 *Sixth*, where the impugned conduct is directed to the public generally (or some relevant section of the public), the court must consider the likely characteristics of the persons who comprise the relevant class of persons to whom the conduct is directed and consider the likely effect of the conduct on ordinary or reasonable members of the class, disregarding reactions that might be regarded as extreme or fanciful: *Campomar* at [101]-[105]; *Kraft Foods Group Brands LLC v Bega Cheese Limited* (2020) 151 IPR 369; [2020] FCAFC 65 (***Kraft***) at [236] (Foster, Moshinsky and O’Bryan JJ). In assessing the effect of conduct on a class of persons such as consumers who may range from the gullible to the astute, the court must consider whether the “ordinary” or “reasonable” members of that class would be misled or deceived: *Coles* at [43], citing *Campomar* at [105]; see also *Google* at [7]; *Kraft* at [236].

381 *Seventh*, the presence or absence of evidence that someone was actually misled or deceived is relevant to an evaluation of all the circumstances relating to the impugned conduct: *Coles* at [45]. However, it is unnecessary to prove that the conduct in question actually deceived or misled anyone: *Google* at [6].

## EB submissions

382 EB submits that the conduct of Cantarella in offering coffee, coffee beans, chocolate and coffee roasting and coffee grinding services under the MOTHERSKY mark would:

(a) constitute misleading or deceptive conduct, contrary to s 18 of the ACL; and

(b) give rise to a false or misleading representation that Cantarella and/or its goods or services have a sponsorship, approval or affiliation that they do not have, contrary to ss 29(1)(g) and (h) of the ACL.

383 EB submits that a not insubstantial segment of Australian consumers of coffee, coffee beans and chocolate would be familiar with the MOTHER mark and EB’s history of adding words and taglines, many of which emphasise the caffeine content of energy drinks and their stimulant effects. It contends that consumers would also be familiar with coffee companies promoting the stimulant benefits of coffee, and in some cases, the mimicry of energy drink marketing.

384 As such, EB contends that for the reasons set out in [339] to [343] above, the proposed use of the MOTHERSKY mark would (mis)represent that its products and services under the MOTHERSKY mark were associated with, or licensed or approved by, EB and/or the MOTHER brand. Such a representation goes beyond mere confusion or cause to wonder and therefore satisfies the distinct requirements for establishing misleading or deceptive conduct under the ACL.

385 EB contends as the representation is undoubtedly false, Cantarella’s conduct in offering its goods and services under the MOTHERSKY mark would amount to a false or misleading representation as to the sponsorship, approval or affiliation of EB and/or its goods or services, contrary to the ACL.

386 On that basis, EB submits that the use of the MOTHERSKY mark would be contrary to law, and that therefore the ground of opposition under s 42(b) of the Act is made out.

## Cantarella submissions

387 Cantarella submits that the use of the MOTHERSKY mark in relation to coffee, coffee beans, chocolate, coffee roasting and coffee grinding makes no representation of association with or license or approval by EB. It submits that no such representation is made because EB does not market coffee, or “beverages” more generally, by reference to the word “mother”. Rather, EB only markets energy drinks by reference to the MOTHER mark.

## Consideration

388 Unlike under s 60 of the Act, alleged contraventions of ss 18 and 29 of the ACL cannot be established by demonstrating confusion or cause for wonder. In that sense, s 60 of the Act provides a less exacting or stringent test than opposition under s 42(b) of the Act, relying on ss 18 and 29 of the ACL: *Monster* at [33] (Stewart J); citing *Puxu* at 198 and *Google* at [8].

389 For the reasons outlined at [350] to [368] above with respect to the less exacting s 60 contentions, I do not accept that the use of the MOTHERSKY mark by Cantarella in relation to coffee, coffee beans, chocolate, coffee roasting and coffee grinding has a tendency to lead any person to whom that conduct might be directed to believe that those products were associated with, or licensed or approved by, EB or the MOTHER brand.

390 I am therefore satisfied that Cantarella has not engaged in conduct that is misleading or deceptive, or likely to mislead or deceive in contravention of s 18 of the ACL or has made a false or misleading representation in connection with the supply of goods or services in contravention of s 29 of the ACL.

391 EB has not established that the use of the MOTHERSKY mark by Cantarella would be contrary to law.

392 The s 42(b) ground cannot succeed.

# DISPOSITION

393 Each of the appeals is to be dismissed and EB is to pay Cantarella’s costs.

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| I certify that the preceding three hundred and ninety-three (393) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice Halley. |

Associate:

Dated: 18 February 2022