FEDERAL COURT OF AUSTRALIA

Apple Inc. v Registrar of Trade Marks [2014] FCA 1304

|  |  |
| --- | --- |
| Citation: | Apple Inc. v Registrar of Trade Marks [2014] FCA 1304 |
|  |  |
| Appeal from: | Apple Inc. [2013] ATMO 13 |
|  |  |
| Parties: | **APPLE INC. v REGISTRAR OF TRADE MARKS** |
|  |  |
| File number(s): | NSD 428 of 2013 |
|  |  |
| Judge(s): | **YATES J** |
|  |  |
| Date of judgment: | 3 December 2014 |
|  |  |
| Catchwords: | **TRADE MARKS –** application to register APP STORE as a trade mark – whether the mark is capable of distinguishing the applicant’s designated services from the services of other persons within the meaning of s 41 of the Trade Marks Act 1995 (Cth) – consideration of the notion of inherent adaptation to distinguish**TRADE MARKS** – Convention application – whether the test under s 41 of the Trade Marks Act 1995 (Cth) is to be considered at the priority date for registration of the mark or the filing date of the application for the mark **PRACTICE AND PROCEDURE** – trade marks – appeal from decision of a delegate of the Registrar of Trade Marks rejecting a trade mark application – consideration of the role of the Registrar of Trade Marks in the appeal proceeding  |
|  |  |
| Legislation: | *Trade Marks Act 1995* (Cth) ss 6, 12, 20, 29, 31, 33, 35, 38, 41, 44, 60, 72*Trade Marks Regulations 1995* (Cth) reg 3*Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth)*Trade Marks Act 1905* (Cth)*Federal Court Rules 2011* (Cth) r 34  |
|  |  |
| Cases cited: | *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50*Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16*Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494*Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365*Jafferjee v Scarlett* (1937) 57 CLR 115*Rowntree PLC v Rollbits Pty Ltd* (1988) 90 FLR 398 *Eclipse Sleep Products Incorporated v The Registrar of Trade Marks* (1957) 99 CLR 300 at 308*Registrar of Trade Marks v Muller* (1980) 144 CLR 37 at 41*Joseph Bancroft & Sons Co v Registrar of Trade Marks* (1957) 99 CLR 453 at 457 *Chocolaterie Guylian NV v Registrar of Trade Marks* (2009) 180 FCR 60*Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1953) 91 CLR 592*Austereo Pty Ltd v DMG Radio (Australia) Pty Ltd* (2004) 209 ALR 93*Ocean Spray Cranberries Inc v Registrar of Trade Marks* (2000) 47 IPR 579*Howard Auto-Cultivators Limited v Webb Industries Proprietary Limited* (1946) 72 CLR 175*Eastman Photographic Materials Company, Limited v The Comptroller-General of Patents, Designs, and Trade Marks* [1898] AC 571*Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* (2010) 275 ALR 526*Societe Des Produits Nestle SA v Unilever plc* [2003] RPC 35*Woolworths Ltd v BP plc (No 2)* (2006) 154 FCR 97*Merck & Co Inc v Sankyo Co Ltd* (1992) 23 IPR 415  |
|  |  |
| Date of hearing: | 18, 19 November and 5 December 2013 |
|  |  |
| Place: | Sydney |
|  |  |
| Division: |  |
|  |  |
| Category: | Catchwords |
|  |  |
| Number of paragraphs: | 248 |
|  |  |
| Counsel for the Appellant: | Mr RJ Webb SC with Mr DT Kell |
|  |  |
| Solicitor for the Appellant: | Baker & McKenzie |
|  |  |
| Counsel for the Respondent: | Ms J Baird SC with Ms M Gaven |
|  |  |
| Solicitor for the Respondent: | Australian Government Solicitor |

**Table of Corrections**

14 May 2015 In paragraph 28, “*Registrar of Trademarks v Woolworths Ltd* (1993) 93 FCR 364” has been replaced with “*Registrar of Trademarks v Woolworths Ltd* (1999) 93 FCR 365”

14 May 2015 In paragraph 30, “*sufficient degree*” has been replaced with “*sufficient* degree”

|  |  |
| --- | --- |
| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
| GENERAL DIVISION | NSD 428 of 2013 |

|  |  |
| --- | --- |
| BETWEEN: | APPLE INC.Appellant |
| AND: | REGISTRAR OF TRADE MARKSRespondent |

|  |  |
| --- | --- |
| JUDGE: | YATES J |
| DATE OF ORDER: | 3 DECEMBER 2014 |
| WHERE MADE: | SYDNEY |

THE COURT ORDERS THAT:

1. The appeal be dismissed.
2. The appellant pay the respondent’s costs.

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

|  |  |
| --- | --- |
| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
| GENERAL DIVISION | NSD 428 of 2013 |

|  |  |
| --- | --- |
| BETWEEN: | APPLE INC.Appellant |
| AND: | REGISTRAR OF TRADE MARKSRespondent |

|  |  |
| --- | --- |
| JUDGE: | YATES J |
| DATE: | 3 DECEMBER 2014 |
| PLACE: | SYDNEY |

**REASONS FOR JUDGMENT**

1. This is an appeal by Apple Inc. (**Apple**) brought under s 35 of the *Trade Marks Act 1995* (Cth) (**the Act**) in respect of the rejection by the Registrar of Trade Marks (**the Registrar**) of a trade mark application.

# Background

1. Apple filed trade mark application 1252301 (**the application**) on 18 July 2008 in respect of certain services (**the designated services**) falling within Classes 35, 38 and 42: see reg 3.1 and Sch 1 of the *Trade Marks Regulations 1995* (Cth). The application was for the words APP STORE (**the mark**). The application claimed a Convention priority date of 7 March 2008.
2. In the course of examination under s 31 of the Act, the Registrar raised an objection to acceptance based on s 44 of the Act. This ground of rejection was resolved. The application was then accepted under s 33 of the Act. However, this acceptance was later revoked under s 38 of the Act on the basis that an objection existed under s 41(5) with respect to registration of the mark for the designated services in Class 35.
3. Apple requested a hearing on the matter. The hearing was conducted by a delegate of the Registrar, who found that a valid ground for rejecting the application existed under s 41(6) of the Act. In the event, the Registrar rejected the application in its entirety: see s 33(3) of the Act.

# the capacity of a mark to DISTINGUISH: the legal requirement

1. The parties agree that, for this proceeding, s 41 is to be applied in the form it took prior to amendments introduced by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth). In that form, s 41 of the Act provided:

**41** **Trade mark not distinguishing applicant’s goods or services**

1. For the purpose of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be a use of the trade mark by the applicant.

Note 1: For ***applicant***and ***predecessor in title*** see section 6.

Note 2: If a predecessor in title had authorised another person to use the trade mark, any authorised use of the trade mark by the other person is taken to be a use of the trade mark by the predecessor in title (see subsection 7(3) and section 8).

 (2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant’s goods or services in respect of which the trade mark is sought to be registered (***designated goods or services***) from the goods or services of other persons.

Note: For ***goods of a person*** and ***services of a person*** see section 6.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

 (4) Then, if the Registrar is still unable to decide the question, the following provisions apply.

 (5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

 (a) the Registrar is to consider whether, because of the combined effect of the following:

 (i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

 (ii) the use, or intended use, of the trade mark by the applicant;

 (iii) any other circumstances;

 the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

 (b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services ‒ the trade mark is taken to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons; and

 (c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services ‒ the trade mark is taken not to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons.

 Note 1: For ***goods of a person*** and ***services of a person*** see section 6.

Note 2: Use of a trade mark by a predecessor in title of an applicant and an authorised use of a trade mark by another person are each taken to be use of the trade mark by the applicant (see subsection (1) and section 8).

(6) If the Registrar finds that the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

 (a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designed goods or services as being those of the applicant ‒ the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

 (b) in any other case ‒ the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

 Note 1: Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

1. the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or
2. the time of production of goods or of the rendering of services.

 Note 2: Use of a trade mark by a predecessor in title of an applicant and an authorised use of a trade mark by another person are each taken to be use of the trade mark by the applicant (see subsections (1) and 7(3) and section 8).

1. The pivotal provision is s 41(2), which requires an application for registration of a trade mark to be rejected if the mark is not capable of distinguishing the applicant’s goods or services for which the mark is sought to be registered, from the goods or services of other persons. The remaining subsections of s 41 set out the framework by which that question is to be considered and answered. In *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50, Branson J (at 56) said that these provisions:

… are designed to control the process by which the Registrar is to reach a conclusion as to whether the trade mark for which registration is sought is capable of distinguishing the applicant’s goods or services in respect of which the trade mark is sought to be registered … If the trade mark is not so capable, the application for its registration must be rejected (s 41(2)).

1. In effect, a decision tree is provided, the first branch of which is s 41(3). Is the mark inherently adapted to distinguish the designated goods or services? As Branson J explained in *Blount* (at 56-58), for a given mark, the application of this subsection can lead to only one of three decisions, each having its own consequences. Those decisions are that:
* the mark is inherently adapted to distinguish the designated goods or services; or
* the mark is to some extent inherently adapted to distinguish the designated goods or services; or
* the mark is not to any extent inherently adapted to distinguish the designated goods or services.
1. If the mark is inherently adapted to distinguish the designated goods or services, the conclusion might be reached that, by reason of that inherent adaptation alone, the mark is capable of distinguishing those goods or services as the applicant’s goods or services. If that decision is reached, the application must be accepted, if there is no other ground to reject it.
2. However, the extent to which the mark is inherently adapted to distinguish the designated goods or services as the applicant’s goods or services may be uncertain, with the result that one is unable to decide, on that basis alone, whether the mark is capable of achieving that end. In that state of affairs, one turns to consider whether, under s 41(5) of the Act, the mark does *or will* distinguish the designated goods or services. In that regard, attention is directed to the degree to which the mark is inherently adapted to distinguish, the use or intended use of the mark by the applicant, and “any other circumstances”. The combined effect of these matters must be considered in order to come to a view as to whether the mark does or will, as a matter of fact, distinguish the designated goods or services as the applicant’s goods or services. If the combined effect of these matters results in the affirmative decision that the trade mark does or will so distinguish the designated goods or services, the mark is taken to be capable of distinguishing those goods or services from the goods or services of other persons, and the application must be accepted if there is no other ground to reject it. If the combined effect of these considerations is otherwise, the mark is taken to be not capable of distinguishing the applicant’s goods or services from the goods or services of other persons, and the application must be rejected.
3. If the mark is not to any extent inherently adapted to distinguish the designated goods or services, then one considers whether, under s 41(6) of the Act, the mark does, as a matter of fact, distinguish the designated goods or services as the applicant’s goods or services. In that regard, attention is directed to the extent of the applicant’s use of the mark before the filing date of the application. If the applicant establishes that, by that use, the trade mark does, as a matter of fact, distinguish the designated goods or services as the applicant’s goods or services, the mark is to be taken to be capable of distinguishing those goods or services from the goods or services of other persons, and the application must be accepted, if there is no other ground to reject it. If, however, the applicant does not establish that fact, the mark is taken to be not capable of distinguishing the applicant’s goods or services from the goods or services of other persons, and the application must be rejected.
4. What does it mean to say that a trade mark is inherently adapted to distinguish the goods or services of one person from the goods or services of another? The notion of inherent adaptation is one that concerns the intrinsic qualities of the mark itself, divorced from the effects or likely effects of registration. Where the mark consists solely of words, attention is directed to whether those words are taken from the common stock of language and, if so, the degree to which those words are, in their ordinary use, descriptive of the goods or services for which registration is sought, and would be used for that purpose by others seeking to supply or provide, without improper motive, such goods or services in the course of trade.
5. The classic statement of that condition is found in Kitto J’s judgment in *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 513 -514:

… The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In *Registrar of Trade Marks v W & G Du Cros Ltd.* (1913) (1) Lord *Parker* *of Waddington*, having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not "adapted to distinguish" the applicant's goods, defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return for an understanding of the problem in a case such as the present. His Lordship said: "The applicant's chance of success in this respect (i.e. in distinguishing his goods by means of the mark, apart from the effects of registration) must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connexion with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what others may legitimately desire to use." The interests of strangers and of the public are thus bound up with the whole question, as *Hamilton* LJ pointed out in the case of *R J Lea, Ltd.* (1); but to say this is not to treat the question as depending upon some vague notion of public policy: it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives — in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess — will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

1. In *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* (2013) 215 FCR 16, the Full Court noted (at [67]) that Kitto J’s statement has been consistently treated by this Court as setting out the general principle informing the inquiry as to whether a mark is inherently adapted to distinguish. Although Kitto J referred to the exercise of “the common right of the public to make honest use of words forming part of the common heritage for the sake of the signification which they ordinarily bear”, the Full Court (at [74]) said:

74. Sections 41(2) and (3) is directed to the distinctiveness of an applicant’s goods or services from those of other persons. We shall, for convenience, describe them as “traders”. Accordingly, the inquiry is directed at least to traders with goods and services of the relevant kind and the likelihood, in a case such as this, of their thinking of and wanting to use the word(s) in question. The reference to “likelihood” by Kitto J in *Clark Equipment* was described by Gibbs J in *Burger King Corp v Registrar of Trade Marks* (1973) 128 CLR 417 at 425 as a reference to the possibility that another trader “might”, without any improper motive, want to use the mark in relation to his or her goods. Depending on the goods and services involved, the class of traders may be very large or quite small. The inquiry may also have regard to the knowledge and practices of consumers as a relevant consideration informing the likely actions of the traders, but it will not necessarily be the focus of the inquiry.

1. In context, the first sentence of the above quote must be understood as referring to the distinctiveness of an applicant’s mark in relation to the goods or services for which registration is sought.
2. At [84], the Full Court also explained:

84. The expressions “the common right of the public” and “common heritage” employed by Kitto J in *Clark Equipment* are fluid and their content will vary according to the particular case. It seems to us that they refer to the knowledge base, primarily, of the traders in the particular goods and services, for it is the question of their likely use of the mark which is to be considered, although as we have already observed, it may extend to potential consumers.

1. The descriptive capacity of words and their capability to distinguish the goods or services of one person from those of others will vary, depending on occasion and circumstance. There are no hard and fast rules. It should also be recognised that language continuously changes and develops. New words and phrases will enter the vernacular. Their newness will not necessarily exclude them from the “common heritage” to which Kitto J referred if they nevertheless function descriptively. I will return to that subject: see at [208]‑[212] below. The decision whether a mark is inherently adapted to distinguish “requires a practical evaluative judgment about the effects of the relevant mark in the real world”: *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494 at [47].
2. There is a further matter to be noted. The registrability of a mark, including whether it is capable of distinguishing the applicant’s goods or services from the goods or services of others, must be assessed by reference to the scope of the registration that is sought. This has two aspects whose combined operation must be considered.
3. First, the registrability of a mark must be assessed by reference to the nature of the mark itself. Here, the mark is simply the words APP STORE. Apple does not seek to limit the mark by stylistic or device elements. In these reasons, I have adopted the convention of identifying such a mark by upper case lettering. However, should the mark proceed to registration as applied for, Apple would be entitled to a monopoly in the use of those words as a trade mark, in whatever form they might be rendered. The monopoly would extend to those words rendered in either a stylised or plain form, with or without capitalisation or partial capitalisation and whether or not, in that rendering, device elements are used. In short, upon registration, Apple’s trade mark rights would extend to the use, as a trade mark, of simply those words in whatever form it chooses.
4. Secondly, the registrability of a mark must also be assessed by reference to the specification of the goods or services for which registration is sought. In the present case, this means Apple’s designated services in Classes 35, 38 and 42, not the services that Apple in fact supplies as part of its App Store service (as to which, see [74]-[86] below). There is no necessary correlation between the two. There may be services which Apple supplies as part of its App Store service which are not included in those specified in its application. Similarly, there may be services specified in its application which Apple does not presently supply or has not supplied as part of its App Store service even though it has the requisite intention to do so. The touchstone must be Apple’s designated services, which it has specified as:

**Class 35:** Retail store services featuring computer software provided via the Internet and other computer and electronic communication networks; retail store services featuring computer software for use on handheld mobile digital electronic devices and other consumer electronics.

**Class 38:** Telecommunication services; electronic transmission of computer software via the Internet and other computer and electronic communication networks; provision of connectivity services and access to electronic communications networks for transmission or reception of computer software.

**Class 42:** Maintenance, repair and updating of computer software and of handheld mobile digital electronic devices and other consumer electronics; providing information concerning computer software and web-based applications via the Internet and other computer and electronic communication networks; providing consulting services and technical troubleshooting support for computer software and for handheld mobile digital electronic devices and other consumer electronics; providing search engines for obtaining data via communications networks; providing temporary use of computer software and online facilities to enable users to access and download computer software; Internet services, namely, creating indexes of information, sites and other resources available on global computer networks for others; searching, browsing and retrieving information, sites, and other resources available on global computer networks and other communication networks for others.

1. The point is conveniently illustrated by reference to the designated services in Class 35. These are specified as “retail store services” having certain features. Although, in one aspect of the description, the retail store services are specified with respect to computer software of a particular kind (“for use on handheld mobile digital electronic devices and other consumer electronics”), there is no limitation in that description as to how the retail store service itself is to be supplied. In that aspect of the description, “retail store services” is apt to include retail store services supplied from a physical store in which the described software is provided “over the counter” or by other means, including electronic means. There is also no limitation on how the software is to be provided in the course of supplying the retail store service. In another aspect of the description of the designated services, the computer software (this time, unconfined as to its nature) is characterised as being provided by particular means (“via the Internet and other computer and electronic communication networks”). Even so, this does not necessarily mean that the retail store service itself does not extend to those supplied from a physical store. The specification speaks, in that regard, only of the mode of delivery of the computer software.
2. The description of Apple’s App Store service in the evidence shows that it operates in an online environment. But the designated services for which Apple has applied in Class 35 are not limited to that environment. There is no dispute that they extend to that environment; but they also extend to retail store services provided by other means, including from a physical store.

# Preliminary matters

## The nature of the appeal

1. Although styled an “appeal”, this proceeding involves the exercise of the original jurisdiction of the Court: *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at [32]. The Court is to determine judicially whether the application should succeed on its merits, not whether the Registrar has lawfully discharged her duties: *Jafferjee v Scarlett* (1937) 57 CLR 115 at 126.
2. What is required in that regard is a hearing de novo in which the Court approaches the matter “afresh and without undue concern as to the ratio decidendi of the Registrar”: *Rowntree PLC v Rollbits Pty Ltd* (1988) 90 FLR 398 at 403. That said, weight should be given to the Registrar’s opinion as “a skilled and experienced person”: *Jafferjee* at 126. On some occasions, it has been said that “due weight” should be given to the Registrar’s opinion: *Eclipse Sleep Products Incorporated v The Registrar of Trade Marks* (1957) 99 CLR 300 at 308. On other occasions, it has been said that “great weight” (*Eclipse* at 321; *Registrar of Trade Marks v Muller* (1980) 144 CLR 37 at 41) or “very considerable importance” (*Joseph Bancroft & Sons Co v Registrar of Trade Marks* (1957) 99 CLR 453 at 457) should be given to the Registrar’s opinion.
3. I do not think that, by using these varying expressions, the cases intend to convey different notions of deference. Nevertheless, the degree to which weight should be given to the Registrar’s opinion will, no doubt, depend on the circumstances of each case and the particular question involved. For example, in the present case, both parties accepted that the weight to be given to the Registrar’s opinion may be affected by the fact that evidence has been adduced in the appeal which was not before the delegate.
4. In *Woolworths*, French J observed (at 377):

… Weight can be given to the Registrar’s opinion without compromising the duty of the Court to construe the relevant legal criteria. When the proper principles are applied to the manner in which a judgment is to be made about an issue such as “deceptive similarity” there is room for a degree of deference to the evaluative judgment actually made by the Registrar. That does not mean that the Court is bound to accept the Registrar’s factual judgment. Rather it can be treated as a factor relevant to the Court’s own evaluation.

1. Although these observations were made in the context of considering whether a ground of rejection existed under s 44 of the Act in respect of a particular application, they are apposite to a case concerning the application of s 41 of the Act.

## The role of the presumption of registrability

1. Apple has emphasised the presumption of registrability in s 33(1) of the Act, which provides:

**33 Application accepted or rejected**

(1) The Registrar must, after the examination, accept the application unless he or she is satisfied that:

 (a) the application has not been made in accordance with this Act; or

 (b) there are grounds under this Act for rejecting it.

Note: For ***this Act*** see section 6.

1. In *Kenman Kandy*, French J (at [22]) said:

22. … Since the enactment of [the Act] the onus is no longer on the applicant to establish registrability as it was under the 1955 Act: *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 372-373. The application must be accepted unless the Court is satisfied that is has not been made in accordance with [the Act] or that there are grounds for rejecting it. If the matter is in doubt then the application should be accepted …

1. However, in *Blount*, Branson J (at 56) questioned whether, by reason of the terms of s 41 of the Act, s 33(1) has a practical effect so far as the question of capacity to distinguish is concerned. Later (at 57-58), her Honour expressed the view that s 41 limits the scope of s 33(1) in that regard. Her Honour explained:

… Subsection (4) [of s 41] has the effect that unless the Registrar, having taken into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons, is able to answer positively the question whether or not the trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, then he or she must apply the provisions of either subs (5) or (6). Subsection (5) has the effect that an application must be rejected pursuant to s 41(2) unless the Registrar is satisfied that the trade mark does or will distinguish the designated goods or services as being those of the applicant. Subsection (6) has the effect that an application must be rejected pursuant to s 41(2) unless the applicant establishes that because of its use of the trade mark, the trade mark does distinguish the designated goods or services as being those of the applicant. The applicant will so “establish” by placing before the decision maker material upon which he or she is persuaded, on the balance of probabilities, that, because of its use of the trade mark, the trade mark does distinguish its goods and services from those of other persons.

It is thus not the case, as might otherwise be concluded from the terms of s 33(1), that if the Registrar is uncertain whether a trade mark is capable of distinguishing the applicant's goods or services from the goods or services of other persons then he or she must accept the application. The question of whether or not a trade mark is to be taken for the purposes of s 41(2) as capable or not capable of distinguishing the designated goods or services from the goods or services of other persons is governed entirely by s 41(3) to (6). The effect of such subsections is that a trade mark is not to be taken as capable of distinguishing the goods or services of an applicant from the goods or services of other persons unless the Registrar is satisfied of certain matters or the applicant establishes a certain matter, in the sense discussed above.

1. In *Chocolaterie Guylian NV v Registrar of Trade Marks* (2009) 180 FCR 60, Sundberg J (at [20]) noted that there is a tension between the presumption under s 33(1) and the text and structure of s 41. At [21], his Honour said:

21. Reconciling s 41(4) and Branson J's decision in *Blount*, with the presumption and French J's decision in *Kenman Kandy*, is not entirely free from difficulty. The matter is further complicated by the fact that the onus is reversed under s 41(5) (the Registrar must be “*satisfied*” that the mark does or will distinguish) and s 41(6) (the applicant must “establish” that the mark does distinguish). In its submissions, the Registrar accepts that the presumption applies in relation to s 41(3), but says that the use of the term “satisfied” in s 41(5) suggests that the presumption no longer applies once the inquiry moves to s 41(5). I agree. Section 41(3) to (6) contemplates that there are degrees to which a mark might be inherently adapted to distinguish: see *Kenman Kandy* 122 FCR 494 at [82] (Lindgren J); *Austereo* 209 ALR 93 at [35] (Finn J). The ultimate question under s 41(3) is whether the mark is inherently adapted to a *sufficient* degree to conclude that it is “capable of distinguishing”. In my view, the effect of the presumption of registrability on s 41(3) is that, in considering whether a mark is capable of distinguishing by reason of the “inherently adapted” criteria, it should be presumed that the mark is sufficiently adapted unless the Registrar is satisfied otherwise on the balance of probabilities. If the Registrar is otherwise satisfied, then he or she will be “unable to decide the question” (see s 41(4)) whether the mark is capable of distinguishing on the basis of any inherent adaptation alone, and must then proceed to consider s 41(5) or s 41(6). Under those provisions, the presumption no longer has any operation, as the applicant is then required to either “satisfy” the Registrar (s 41(5)), or “establish” (s 41(6)), that the relevant criteria set out therein is met. As Branson J said in *Blount* 83 FCR at 56, referring to *Rejfek v McElroy* (1965) 112 CLR 517 at 521, a test of satisfaction requires the Registrar to “be persuaded of the matter according to the balance of probabilities”.

1. Notwithstanding Apple’s emphasis on the role of the presumption of registrability, I do not understand the parties to disagree with the approach discussed in *Chocolaterie Guylian*. I propose to follow that approach.

## The date for considering the application of s 41

1. There is a debate between the parties about whether, in the present case, the priority date (for definition, see s 12), as opposed to the filing date (for definition, see s 6), is the correct date for considering the application of s 41. The Registrar contends that the priority date (here, 7 March 2008) is the correct date, including when considering factual distinctiveness under s 41(6). Apple contends that the filing date (here, 18 July 2008) is the correct date for considering all questions arising under s 41.
2. Generally speaking, the *registration* of a trade mark under the Act is taken to have effect from and including the filing date: s 72(1). However, the position is different for Convention applications. If a person has made an application for registration of mark in a Convention country, and within six months thereof makes application to the Registrar for registration of the mark in respect of some or all of the goods or services for which registration was sought in the Convention country, the person, or a successor in title, may claim a right of priority for theregistration of the mark in respect of all or any of those goods or services: s 29(1).
3. Section 29(2) of the Act provides (emphasis added):

The priority claimed *is for the registration of the trade mark* in respect of the goods or services:

(a) if an application to register the trade mark was made in only one Convention country—from (and including) the day on which the application was made in that country; or

(b) if applications to register the trade mark were made in more than one Convention country—from (and including) the day on which the earliest of those applications was made.

1. Section 72(2) of the Act provides (emphasis added):

If:

(a) the application was in respect of a trade mark whose registration had also been sought in one or more than one Convention country; and

(b) the applicant claimed a right of priority under section 29 for the registration of the trade mark in respect of particular goods or services; and

(c) the trade mark is registered under this Act;

 *the registration of the trade mark in respect of those goods or services is taken to have had effect*:

(d) if an application to register the trade mark was made in only one Convention country—from (and including) the day on which the application was made in that country; or

(e) if applications to register the trade mark were made in more than one Convention country—from (and including) the day on which the earliest of those applications was made.

Note: For ***Convention country*** see section 225.

1. The conceptual distinction between the “priority date”, the “filing date” and the “date of registration” should not be blurred. Although, conceptually they are different dates, in a given case they may turn out to be the same calendar date.
2. As defined, the “priority date” has significance for the *registration* of a mark. If the mark is registered, the priority date is the date of registration of the mark in respect of particular goods or services. If the registration of the mark is being sought, the priority date is the date that would be the date of registration of the mark for those goods or services, if the mark were to be registered.
3. The “date of registration” means the date from which, under s 72(1) or s 72(2) of the Act, the registration of the mark is taken to have effect: s 6. It is from this date that the registered owner’s exclusive rights to use the mark and to authorise others to use it (s 20(1)), and the registered owner’s right to obtain relief under the Act for infringement (s 20(2)), are taken to have accrued: s 20(3). This date may be the filing date (s 72(1)) or the earlier date for which s 72(2) provides.
4. In the present case, the issue of dates is of particular importance for s 41(6) purposes because Apple launched its App Store service worldwide – and hence, for practical purposes, commenced using the APP STORE mark – on 11 July 2008, just 7 days prior to filing its application. This was well after the priority date. If the Registrar is correct, including in relation to the construction of s 41(6), then, apart from anything else, s 41(6) cannot assist Apple in the present case.
5. I note that, contrary to the Registrar’s present submission, the delegate appears to have treated the filing date, and not the priority date, as the relevant date for considering the application of s 41 and, in particular, s 41(6): see [69] below. For the reasons that follow, I am of the view that the filing date is the correct date.
6. In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1953) 91 CLR 592 at 595, Kitto J stated as a general proposition that, in applications for registration, the rights of the parties are to be determined at the application date (meaning, the filing date of an application). Whilst that statement was made with respect to applications for registration under the *Trade Marks Act 1905* (Cth), it appears to be the premise on which s 41 of the present Act has been enacted.
7. In this connection, s 41(6) specifically identifies the date for determining factual distinctiveness by reference to the period of use of the mark *before* the filing date. Accordingly, a decision on the question of factual distinctiveness is to be made at the filing date. As I have explained, s 41 is highly structured in the way in which it provides for decisions to be made under that provision. Each decision-making step is linked. It seems to me that, in order to give s 41 an harmonious operation, the questions posed by s 41(3) and s 41(5) respectively, must also fall for determination at the same conceptual date that applies for s 41(6).
8. I do not understand the Registrar to challenge the proposition that the questions posed by s 41(3), s 41(5) and s 41(6) should all be determined at the same date. Rather, as I understand the Registrar’s submission, where an application for registration is a so-called Convention application, as is the case here, registrability under s 41 of the Act is to be assessed at the priority date, not at the filing date. The logical outcome of this submission is that, although the Act does not say so, the date for assessing registrability under s 41 of the Act is a shifting date: the relevant date is either the filing date or, if in fact earlier in time, the priority date, having regard to s 72 of the Act dealing with the date and term of registration of a mark.
9. I am unable to accept this submission.
10. First, the Act does not in terms provide a mechanism for implementing a shifting date in s 41 or, indeed, in any other provision of the Act dealing with the registrability of a given mark. I can discern no principled basis for reading such a mechanism into the Act.
11. Secondly, I can discern no reason of statutory construction for substituting “the priority date” for “the filing date” in s 41(6). This conclusion is supported by s 44 of the Act. Section 44 provides another ground for pre-acceptance rejection of a trade mark application, namely that the mark is substantially identical withor deceptively similar to another mark.
12. Section 44(1) provides (emphasis added):

 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.

Note 1: For ***deceptively similar*** see section 10.

Note 2: For ***similar goods*** see subsection 14(1).

Note 3: For ***priority date*** see section 12.

Note 4: The regulations may provide that an application must also be rejected if the trade mark is substantially identical with, or deceptively similar to, a protected international trade mark or a trade mark for which there is a request to extend international registration to Australia: see Part 17A.

1. Section 44(2), dealing with an application for registration of a trade mark in respect of services, is in corresponding terms. Section 44(4) of the Act provides that, notwithstanding s 44(1) and s 44(2), the Registrar may not reject an application for registration because of the existence of another mark, if the trade mark applicant and its predecessor in title (if any) have continuously used the applicant’s mark before the priority date for registration of the other mark.
2. Reference can also be made to s 60 of the Act which provides a ground of opposition (post-acceptance) for a mark where another mark has acquired a reputation in Australia before the priority date of the first-mentioned mark, rendering use of the first‑mentioned mark likely to deceive or cause confusion.
3. It can be seen from these provisions that when regard is to be had to priority dates for the purpose of determining registrability, the Act expressly says so. The adherence of s 41(6) to the “filing date” shows that it was Parliament’s intention that that date be the date for determining factual distinctiveness under that provision.
4. I am aware that in *Austereo Pty Ltd v DMG Radio (Australia) Pty Ltd* (2004) 209 ALR 93, Finn J (at [30]) observed that the “capability which s 41(3) and (5) address in their respective ways” must be possessed by the mark at the priority date.
5. When considering the application of s 41(6), his Honour said (at [8]):

… It is common ground that s 41(6) can have no present application because [the applicant] made no use of the mark before the priority date.

1. However, at [28] his Honour also observed:

I have already indicated that s 41(6) of the Act cannot be invoked by [the applicant], the [mark] not having been used prior to the date of the application for registration. …

1. It would appear from these passages that Finn J was treating the “priority date” and the date of the application (i.e. the “filing date”) synonymously. This could be so because, given that there appears to have been no claim for Convention priority in that case, the “priority date” and the “filing date” would have been the same calendar date.
2. In *Chocolaterie Guylian,* Sundberg J (at [54]) cited Finn J’s observation in *Austereo* at [30], but not his Honour’s observations at [8] and [28], saying:

… It is clear that the relevant date for assessing whether a trade mark is capable of distinguishing the goods for which it is used is the priority date …

1. In so finding, Sundberg J did not distinguish between s 41(6), on the one hand, and s 41(3) and s 41(5) on the other, as to relevant dates.
2. It should also be noted that, in that case, the application was in relation to a protected international trade mark (see s 189A of the Act and Pt 17A of the *Trade Marks Regulations 1995* (Cth)) in which priority for the registration of the mark was claimed on the basis of the international registration of the mark in the Benelux Economic Union. The international registration of the mark took effect on 16 April 2002 and the IRDA (i.e. the request to extend protection of the international registration of the mark) was transmitted to the Registrar on 16 October 2002.
3. There is no doubt that, in that case, Sundberg J considered the question of the inherent adaptation of the mark to distinguish at the earlier date (April 2002): see, for example, [72] of his Honour’s reasons. But because his Honour found that the mark was to some extent inherently adapted to distinguish, his Honour proceeded to consider its registrability under s 41(5) of the Act, and not s 41(6), once again at April 2002: see, for example, [85] of his Honour’s reasons. Therefore, it was not necessary for his Honour to consider – and his Honour did not consider – the application of s 41(6) of the Act or the significance, for s 41 as a whole, of that subsection referring to the “filing date”.
4. It does not seem that the correct date for assessing registrability under s 41 of the Act was in dispute or was even raised as a question in either *Austereo* or *Chocolaterie Guylian*. Certainly no argument on that matter is recorded in the respective reasons for judgment. The question has been raised in the present appeal. It is a question which, therefore, falls for resolution. That being the case, I do not, with utmost respect, consider that *Austereo* and *Chocolaterie* *Guylian* correctly state the date at which registrability under s 41 is to be assessed. To that extent, I do not propose to follow those cases. In my view, registrability under s 41 of the Act must be assessed at the filing date of the application.

# The decision below

1. As I have noted, the delegate rejected the application in its entirety.
2. The delegate relied on dictionary meanings for the words “app” (“An application, *esp*. an application program”) and “store” (“A place where merchandise is kept for sale …”) and reasoned that:

19. … by applying the general meanings which may be attributed to the separate words “APP and “STORE” the applicant’s trade mark, APP STORE, can therefore be defined as a store (or retail outlet) that sells or provides computer application programs. Given the applicant’s claimed services in Class 35, the applicant’s trade mark clearly indicates that it operates a retail store which sells software application programs. I believe that the expression APP STORE is a term which is relatively straight forward, easily defined and well understood by modern digital-savvy consumers who are likely to be the customers seeking out and using the applicant’s services.

1. The delegate found that the mark is not to any extent inherently adapted to distinguish Apple’s designated services in Class 35. The delegate found that the mark is “purely”, “directly” or “inherently” descriptive. The delegate extended this conclusion to Apple’s designated services in Classes 38 and 42 for which Apple had also sought registration in the same application.
2. In this connection, the delegate found:

22. In respect of the services listed in classes 38 and 42, I note the following. The applicant’s services in classes 38 and 42 include electronic transmission of computer software via the Internet and other computer and electronic communication networks and the maintenance, repair and updating of computer software and of handheld mobile digital electronic devices and other consumer electronics. With an APP STORE (like a “computer store”) a number of other services are likely to fall within the purview of the store and this is likely to be understood and assumed by consumers. It is likely that a place a customer has ‘purchased’ a good or service from will be available to deal with faults or issues that the customer encounters regarding those goods or services.

1. Apple had submitted that the lack of use of the expression “app store” by other traders indicated that the mark was, at least to some extent, inherently adapted to distinguish Apple’s services from those of other traders. The delegate rejected that submission, stating:

23. … [the] submissions about the use and/or lack of use of the expression APP STORE by other traders makes an unwarranted assumption that customers and other traders will tend to disregard the general and descriptive meaning of the expression APP STORE in favour of using other descriptive expressions such as SOFTWARE APPLICATIONS SHOP. However, the use of the acronym APP in place of Application and the supposedly interchangeable use of words such as SHOP with STORE does not confer the requisite capacity to distinguish on the applicant’s trade mark. Nor do I believe that a customer looking for application programs is going to be ignorant of or ignore the inherently descriptive meaning of APP STORE particularly when it is presented in plain text.

1. Apple had also submitted that registered trade mark 1156967 for the word APPSTORE which Apple had acquired by assignment (thereby overcoming the s 44 objection previously referred to: see [3] above), had been accepted for registration in respect of certain Class 35 and Class 42 services without an apparent s 41 objection. This, Apple argued, signified that the Registrar had already determined that APP STORE was capable of distinguishing Apple’s designated services in Class 35.
2. The delegate rejected that submission, reasoning that it was clear that other parties unrelated to Apple had considered the expression “app store” in relation to “the same services”. The delegate also quoted the observation of Wilcox J in *Ocean Spray Cranberries Inc v Registrar of Trade Marks* (2000) 47 IPR 579 that:

… Although consistency in public administration is desirable, a public officer is not justified in persisting with error.

In *Ocean Spray Cranberries,* Wilcox J went on to say:

… Marks may, in the past, have been wrongly registered. It would be an unwarranted distraction from the task at hand to investigate, in a particular case, whether they were or not.

1. Although having found that the mark is not to any extent inherently adapted to distinguish, the delegate nevertheless considered the application under s 41(5) of the Act and, in particular, Apple’s evidence of use. The delegate reasoned that, if Apple’s evidence of use was insufficient to overcome a s 41(5) ground of rejection, it followed that Apple would be unable to overcome a s 41(6) ground of objection.
2. In fact, in light of the finding that the mark is not to any extent inherently adapted to distinguish, the delegate’s consideration of the effect of Apple’s evidence of use in terms of s 41(5) of the Act was irrelevant. It was, however, relevant to consider whether, for the purposes of s 41(6), Apple’s use of the mark prior to the filing date of the application resulted in the mark distinguishing the designated services as Apple’s and not those of others.
3. The delegate concluded (at [43]):

43. I consider, from what is demonstrated in the evidence before me, that the applicant’s and third party use of the term APP STORE in conjunction with others of the applicant’s trade marks and identifiers shows that APP STORE does not distinguish the applicant on its own. Nor does the evidence provided sufficiently demonstrate that APP STORE has acquired a meaning related to the applicant which overshadows its descriptive meaning. The applicant’s evidence does not satisfy me that the trade mark is capable of distinguishing the applicant’s services from the similar services of other traders in the same field. As the applicant’s evidence is insufficient to overcome a section 41(5) ground for rejection, it follows that it is also insufficient to overcome a section 41(6) ground for rejection.

# Witnesses

## Apple’s witnesses

1. In this appeal, Apple adduced evidence from:
* Mr Thomas La Perle, a director in Apple’s Legal Department, who manages its Trade Mark, Copyright and Enforcement Group.
* Professor John Harris, Professor of Linguistics at University College London.
* Mr John Davis, Group Account Director at Newspoll Market and Social research (**Newspoll**).
* Dr James Farrow, a director of Farrow Norris Pty Ltd, an IT consultancy firm.
* Ms Judith King, a paralegal with Apple’s solicitors.
1. The Registrar cross-examined all witnesses other than Mr La Perle.

## The Registrar’s witnesses

1. The Registrar adduced evidence from:
* Dr Neil James, Executive Director of Plain English Foundation Pty Ltd.
* Ms Melissa Anderson, solicitor.
* Mr Matthew Carr, solicitor.
* Mr Liam James, solicitor.
1. Apple cross-examined Dr James.

#  APPLE’S App Store service

1. When, in these reasons, I refer to the service that is offered in trade by Apple, I will use the form “App Store” because, on the evidence, this is how Apple itself referred to the service in written form at the time it applied for the mark. This should be contrasted with my references in these reasons to the broader form of the mark for which Apple has applied (i.e. APP STORE).
2. Mr La Perle described Apple’s App Store service as one that enables users of Apple portable devices, such as the iPhone communication device, the iPad tablet computer and the iPod touch media player to browse and download software programs for use on those devices. However, the evidence also makes clear that the App Store service could also be accessed by other devices through Apple’s iTunes desktop software. The point of the service is that it provides a portal through which these programs (i.e. “applications” or “apps”) can be conveniently acquired and simply downloaded for use on the device in question, whether it be an appropriate handheld device or, for example, a desktop computer.
3. Apple launched the App Store service worldwide on 11 July 2008. In Australia, this launch coincided with the availability for sale of Apple’s iPhone 3G. Each party referred to the Australian press release that announced both the availability for sale of the iPhone 3G and the commencement of the App Store service. Relevantly, the press release stated:

SYDNEY - 11 July 2008 - Apple today announced that more than 500 native applications will be available on the iPhone’s App Store when Apple’s iPhone 3G goes on sale today. Apple’s iPhone provides a breakthrough mobile platform for developers, who have created an incredible array of innovative applications such as stunning action games, advanced medical applications and robust productivity tools for the enterprise. These apps will be available on Apple’s revolutionary new App Store, enabling customers to wirelessly download them directly onto their iPhones and start using them immediately. More than 125 applications are being offered to iPhone customers for free.

The new iPhone 3G combines all the revolutionary features of iPhone with 3G networking that is twice as fast\*, built-in GPS for expanded location-based mobile services, and iPhone 2.0 software which includes support for Microsoft Exchange ActiveSync and runs hundreds of third party applications available through the new App Store which is a built-in application on every iPhone running iPhone 2.0 software.

“iPhone represents a new software platform for developers, combining the most advanced mobile operating system, sophisticated developer tools and a breakthrough way for developers to wirelessly sell and distribute their applications right onto every iPhone,” said Philip Schiller, Apple’s senior vice president of Worldwide Product Marketing. “The reaction from developers has been very, very positive and we’re opening the App Store with over 500 native iPhone applications available for immediate purchase and download.”

Many of these amazing new applications also take advantage of iPhone’s large display, Multi-Touch user Interface, fast hardware-accelerated 3D graphics, built-in accelerometer and location-based technology to bring far more powerful applications to the mobile arena than ever before.

The App Store on iPhone works over cellular networks and Wi-Fi, which means it is accessible from just about anywhere, so users can purchase and download applications wirelessly and start using them instantly. Applications are free or charged to the user’s iTunes account and the App Store notifies the user when updates are available for their apps. The App Store is also available in iTunes (www.itunes.com/au/) running on a Mac or PC, which syncs applications to the iPhone or iPod touch using a USB cable.

The App Store will offer over 500 native applications from hundreds of companies around the world in a variety of categories including games, business, news, sports, health, reference and travel.

1. As the 11 July 2008 press release makes clear, at the time that the App Store service was launched, Apple offered over 500 computer applications for download. These applications had been created by Apple or by third party software developers. Since that time, many more applications have been available from the App Store.
2. Earlier, on 6 March 2008, Apple had announced the availability of a beta release of its iPhone 2.0 software to selected developers and enterprise customers. The press release included the following:

The iPhone 2.0 software release will contain the App Store, a new application that lets users browse, search, purchase and wirelessly download third party applications directly onto their iPhone or iPod touch. The App Store enables developers to reach every iPhone and iPod touch user. Developers set the price for their applications – including free – and retain 70 percent of all sales revenues. Users can download free applications at no charge to either the user or developer, or purchase priced applications with just one click. Enterprise customers will be able to create a secure, private page on the App Store accessible only by their employees. Apple will cover all credit card, web hosting, infrastructure and DRM costs associated with offering applications on the App Store. Third party iPhone and iPod touch applications must be approved by Apple and will be available exclusively through the App Store.

1. The App Store service was immediately successful. An Australian press release on 15 July 2008 stated:

SYDNEY, Australia – 15 July 2008 – Apple today announced that iPhone and iPod touch users have already downloaded more than 10 million applications from its groundbreaking new App Store since its launch late last week. Developers have created a wide array of innovative mobile applications ranging from games to location-based social networking to medical applications to enterprise productivity tools. Users can wirelessly download applications directly onto their iPhone or iPod touch\* and start using them immediately. More than 800 native applications are now available on the App Store, with more than 200 offered for free and more than 90 percent priced at less than US$10.

1. An Australian press release on 10 September 2008 announced that iPhone and iPod touch users had downloaded more than 100 million applications using the App Store service and that, by that date, 3,000 applications were available, with 90% at less than US$10 and more than 600 offered for free.
2. The press release described the nature of App Store in terms similar to that used in the 11 July 2008 press release:

The App Store on iPhone works over cellular networks and Wi-Fi, so users can wirelessly download applications directly onto their iPhone or iPod touch and start using them immediately. Applications are free or charged to the user’s iTunes account and the App Store notifies the user when updates are available for their apps. The App Store is also available on iTunes (www.itunes.com/au/) for Mac or PC, which syncs applications to the iPhone or iPod touch using a USB cable.

1. An Australian press release on 15 July 2009 announced:

SYDNEY, Australia – 15 July 2009 – Apple today announced that customers have downloaded more than 1.5 billion applications in just one year from its revolutionary App Store, the largest applications store in the world. The App Store is also growing at an incredible pace with more than 65,000 apps and more than 100,000 developers in the iPhone Developer Program.

1. I should record that the press releases from which I have quoted were admitted into evidence for the limited purpose of describing the nature of the App Store service or of assessing the context of use of the words “App Store” or “app” and “store”. I have included the quotations for each purpose. However, it is apparent that some of the quotations also refer to the number of applications available on, or downloaded from, the App Store service from time-to-time. There is independent evidence of these facts, which accords with the figures in the quotations, to which no objection was taken by the Registrar. Thus, to this extent, the quotations conveniently record facts proved by other evidence, to which it is not necessary for me to refer. It should be noted, however, that this evidence refers to worldwide sales and use.
2. There is evidence of the continued commercial success of the App Store service. That success has been prodigious. On 22 January 2011, Apple announced that the 10 billionth computer software program had been downloaded from the App Store. As at May 2012, over 850 million applications had been downloaded from the Australian App Store located at www.apple.com/au, and, according to Mr La Perle, “…millions of visitors” have accessed the App Store section of that website. Apple received over $100 million in revenue from Australia-based sales using the App Store service in the period July 2008 to January 2012.
3. Apple tendered a television commercial for the iPhone 3G called “Changes Everything”, which was first broadcast in Australia in late August 2008: Exhibit A10. The commercial demonstrates how a user accesses the App Store service using the iPhone 3G. The audio element of the commercial is as follows:

This is how you enter the App Store and this is how you browse thousands of new apps and this is how you download one right to your phone and this is when you realise that this is going to change everything.

1. The above quotation is taken from the transcript of the commercial in the form in which it was tendered, using “the App Store”: Exhibit A3. However, on viewing the commercial, what one hears is simply the words “the app store”, without the significance that one might perceive those words to have on reading them with the capitalisation provided in the transcript.

# The Expert linguistic Evidence

## Professor Harris

1. Professor Harris carried out a linguistic analysis of APP STORE. He made two affidavits. His first affidavit annexed a declaration he had prepared for Apple’s Community Trade Mark Application No. 009852691 for the registration of APP STORE as a trade mark. In his affidavit, Professor Harris drew attention to the fact that, when making the declaration, he had in mind English as spoken in the United Kingdom and elsewhere in Europe. For the purpose of this proceeding, he reconsidered the declaration having regard to the fact that it would be used in an Australian context. He said that the fact that the declaration would be relied on for use in an Australian context did not cause him to change the opinions expressed in it. His second affidavit annexed a report he prepared to address a number of matters raised in an affidavit made by Dr Neil James, which was filed and read by the Registrar.
2. Professor Harris expressed the opinion that the expression “app store” cannot be fully‑understood by simply combining the meanings of its component parts “app” and “store”. In other words, the combination “app store” does not have a “compositional” meaning. According to him, “the compound APP STORE can only be fully‑understood non‑compositionally”. This is because, in Professor Harris’ view, the compound expression “entrenched a narrower meaning” of “app” than was generally current before the commencement of Apple’s App Store, and “ushered in a novel meaning” of “store”.
3. In his declaration, Professor Harris developed the notion that “store”, as used by Apple, had a novel meaning by referring to the fact that the App Store service does not involve a store with a physical presence and operates in a way that the customer “pays not for the software itself but rather for a licence that allows the software to run on Apple devices”. Professor Harris said that the use of the word “store” was unique to Apple’s products and services.
4. He developed this notion further in his report where he said that there were four “noteworthy aspects” to the meaning to be attached to Apple’s use of the word “store” in the expression “app store”, namely:
* the non-physicality of the outlet;
* the intangibility of the goods on offer;
* the downloading of software licences onto a hardware device, and
* the showcasing of different sellers’ goods in one location.
1. Professor Harris said:

13. … None of these aspects was in and of itself new in 2008 when Apple introduced the App Store. Indeed the term **store** could already be used to refer to outlets that combined two of these aspects. For example, there were virtual stores that sold tangible goods (such as mail-order stores and online stores such as Amazon) and physical stores that sold physical software products along with licenses (such as CD-ROMs available in high-street stores). What was novel was Apple’s extension of **store’s** meaning to encompass all four of these aspects simultaneously.

1. Professor Harris called in aid Apple’s use of the phrase “available on the App Store” as supporting a non-compositional use of APP STORE. He referred to a logo representation of this phrase combined with device elements, and said:

22. The phrase **on the store** is original to Apple and indicates a clear break with the prototypically physical connotation that clings to phrases such as **in the store** or **at the store**.

1. With respect to the component “app”, Professor Harris said that it was a shortened or clipped form of “application” as used in the computing term “application software”. Professor Harris explained that the clipped form “app” has been around at least since the 1980s. The Oxford English Dictionary’s first citation is from 1985. He nevertheless argued that, before Apple launched its App Store service, the use of the term “app” was largely restricted to experts in the field of computing.
2. In his report, Professor Harris also went on to say that “app” began life in specialist computer jargon and referred to any software program regardless of its size or the platform running it. He argued that there has been “a clear semantic shift” in the use of “app” to now mean “small programs tailored to quite specific tasks and running on hand-held devices”. He argued that the change from “the older, broader meaning” of “app” to “the newer, narrower meaning” took place over the period from 2007 to 2009.
3. To illustrate his argument, Professor Harris referred to the Corpus of Contemporary American English (**COCA**). He said:

11. … For 2007, COCA records 39 instances of **app** referring to software. Two of these are metaphorical (both in the compound **killer app**). Only six refer to hand-held devices – five specifically to Apple’s iPhone, one to unspecified mobile devices. All of the remainder (31) refer to applications running on desktop or laptop computers. In 2008, of the 68 **app** examples recorded by COCA, 19 refer unambiguously to software on hand-helds, all but one to Apple devices. That year, there are 39 examples of **app** referring to desktop or laptop programs. (There are also nine metaphorical examples (**killer app** again) and one example that is not specific about the platform.) By 2009, the balance between the broader and the narrower meaning has clearly tipped in favour of the latter. Of the 109 non-metaphorical examples of **app** COCA records for that year, 86 refer to hand-helds. It is noteworthy that even the 17 examples referring to desktops or laptops that year almost all come from the more specialist source of PC World Magazine.

1. Professor Harris also argued that “app” has a strong linguistic connection with the name “Apple”. He explained:

27. Once a clipped form becomes established in a speaker’s mental lexicon as an independent word in its own right, it will be stored at a lexical location that is close to its related full form. This reflects the fact that the two main criteria speakers use to organise their mental lexicons are based on the phonological and semantic properties of words. The semantic content of a clipped form will usually overlap with that of the full version from which it is derived. For example, the meaning of a nickname is typically a combination of the meaning of its related full form plus some component of familiarity. Phonologically, the shortened form is closely connected to its full form …

1. Professor Harris said that the phonological and semantic criteria used for storing words in the mental lexicon are also used for retrieving words in speech production and perception, and in writing and reading. He said that, when performing a successful search for a particular word, a typical individual usually retrieves a small cohort of words that are close phonological and/or semantic neighbours. Professor Harris continued:

29. Because of their phonological and semantic closeness, it will be usual for an already-stored clipped word and its full relative to be accessed jointly in initial searches of the mental lexicon. Not every individual who is familiar with **app** will necessarily know that it is a clipped form of **application**. Amongst those who do, this connection alone will be sufficient to cause **application** to be lexically accessed in unison with **app**. However, other words in the same lexical neighbourhood will also be activated, irrespective of whether an individual knows of the clipping connection between **app** and **application**.

1. Professor Harris developed this explanation in his later report, saying:

12. … Clipping is a productive morphological process that creates new words (see the Lappe 2003 paper presented as Exhibit JH-2a in my affidavit of 24 May 2013). Phonologically, the process cuts the new form to a specific size (a monosyllabic word), while retaining as much of the consonant content of the full or base form as possible. Semantically, the new word is not identical to its base form: at least initially, it combines the meaning of the base with some additional connotation of familiarity. Being a new word means that the clipped form now has its own entry in an individual’s mental lexicon. Once it is separately stored in this way, it is free to change its meaning in ways that can distance it semantically from its base. This is what has happened in the clipping of for example **proletariat** to **prol**. As the usage evidence presented above makes clear, this is also what has happened with **app**, its meaning having narrowed compared to that of **application**.

1. Professor Harris conducted a search of CELEX2, which is an electronic database containing phonological lexicons of English, Dutch and German. Word entries in the database contain phonetic transcriptions of vowel and consonant sounds, syllable structure, stress and variant pronunciations.
2. In his declaration, Professor Harris said (emphasis added in italics):

32. Of the 26 words in CLEX2 that begin with [æp], only one is potentially related semantically to **app** and **application** – **apple**. *When used with specific reference to Apple Inc*, this term falls into the same semantic field of digital technology as that of **app** and the software meaning of **application**. These three forms fit comfortably within the range of a phonologically and semantically defined lexical cohort. For individuals unaware of the derivational connection between **app** and **application**, the cohort size is two – **app** and **apple**. It is highly likely that lexically accessing either **app** or **apple**, using the search criterion of digital-technology semantics, will activate both forms.

1. Based on this reasoning, Professor Harris concluded:

35. It is highly likely that the occurrence of the term **app** in APP STORE will trigger an association with the term **Apple** in the minds of members of the public. The association is based on a productive word-formation process of clipping that helps establish a close lexical connection between the two terms.

1. In his report, in answer to research conducted by Dr James (see below at [103]-[119]), Professor Harris also analysed, by year, the occurrences in COCA of the expression APP STORE. He concluded that the first examples of the use of APP STORE appeared in 2008. These examples referred only to Apple’s App Store. In the period 2009-2012, there were 80 examples of APP STORE that referred explicitly and uniquely to Apple’s App Store. For the same period, there were eight examples that referred specifically to services other than Apple’s, and six examples of APP STORE that referred to unidentified service providers.

## Dr James

1. Dr James was engaged by the Registrar to, amongst other things, “critique Professor Harris’ reasoning and conclusions and provide my opinion on the questions asked of him … which are about ‘the use and perception of the term APP STORE’”. The engagement was for the purpose of this appeal. Dr James’ views were not before the delegate.
2. Dr James disagreed with Professor Harris’ view that the expression “app store” could only be fully-understood non-compositionally. In Dr James’ opinion, the expression can be understood as a compositional compound that derives its meaning from the literal meaning of its constituents.
3. Dr James said:

17. Contrary to [Professor Harris’ conclusion], it can in fact be argued that both the terms ‘app’ and store’ can be understood literally, and that the meaning of ‘app store’ is compositional as the combination of these literal meanings – in the same way as ‘credit card’ or ‘engine room’ are compositional. App store can simply be a store where people can purchase the rights to use computer applications.

1. Dr James considered the status of the words “app” and “store”, and the combination “app store”, by reference to corpora, specifically COCA, the British National Corpus (**BNC**), and the Corpus of Global Web-Based English (**GloWbE**). This research suggested to Dr James that by the time Apple commenced its App Store service in 2008, there was a widespread use in the community of “app” as meaning “computer application”, which was reflected in popular media and which did not have an exclusive narrow association with Apple.
2. Dr James concluded:

40. This corpora evidence suggests a conclusion contrary to the conclusion in the witness statement that the general community in 2008 (and since then) were unable to understand the word ‘app’ without reference to Apple. The literal meaning of the constituent ‘app’ was known in the community and readers or listeners would not have needed to construct a new connotation.

1. With respect to “store”, Dr James’ research indicated to him that this word had been “a highly productive term for compounding in English and that speakers have used it with a great deal of flexibility”.
2. Based on his research, Dr James opined:

52. When Apple established its app store in 2008, therefore, the word ‘store’ had already been applied to a non-physical context in the general community, with compounds such as ‘online store’. The non-physical meaning of ‘store’ in ‘app store’ was therefore not original to Apple, nor unique to its App Store. The community could have easily comprehended the word ‘store’ in APP STORE as an (online) place that sells goods or services, including licences to use computer applications.

1. Dr James also opined:

57. The implications of this corpora data are that the community would have been capable of understanding the word ‘store’ in APP STORE in a literal way without reference to Apple because they had already been familiar with its usage in a non-physical (online) environment. This adds weight to my conclusion that the compound APP STORE was in fact compositional rather than non-compositional at the priority date and continues to be so to the present day.

1. Dr James researched the use of “app store” as a compound in its own right. According to Dr James, this revealed that “a much higher proportion of the samples … relate to Apple’s specific app store”. However, Dr James noted that this was “not exclusively the case” and that the compound was used in contexts apparently unrelated to Apple. Examples found in COCA include: “In the Zune App Store” and “Cydia is a sort of renegade app store”. Examples found in GloWbE include: “Microsoft’s new app store”, “downloading it from your app store”, “an open app store”, “the Windows app store”, “the Android app store”, the “Google-run app store”, “a Gov app store” and “Cydia App Store”, which Dr James said reflected a broader and more generic use of the expression “app store”.
2. It should be noted that these examples are taken from searches undertaken for the five-year period from 2005 to 2009. The searches were not specific to 2008 when Apple filed its application in Australia. They do not fix the date when “app store” was first used.
3. Dr James said:

61. Even where the use of ‘app store’ is in a context related to Apple, the usage is likely to retain the literality of its constituent parts: ‘app’ and ‘store’, as discussed above. The literal meaning of ‘app’ and ‘store’ remain embedded in those constituents.

1. With respect to Professor Harris’ specific example of prepositional use, Dr James argued that the use of “on” in the phrase “on the App Store” does not provide a sufficient basis to conclude that APP STORE is a non-compositional compound associated exclusively with Apple. Dr James said:

68. … where used with ‘store’, the word ‘on’ would signal to speakers of English that the store involved was in an online environment. But such a store can be understood literally as an online store contributing to a literal understanding of the compound APP STORE, without such a store being associated exclusively with Apple.

1. Overall, Dr James concluded:

69. Based on the above searches and analysis, my conclusion is contrary to that of Professor Harris. I conclude that the term APP STORE is more likely compositional rather than non-compositional. The term APP STORE can be understood as a store where people purchase computer applications in the same way as they understand that they would purchase books from a book store or goods and services from an online store.

70. I do not consider that the fact that people may be purchasing a licence to use a computer application rather than an outright purchase of a good alters my conclusion. Readers and listeners of English are able to construct its meaning without taking account of a connotation that is unique or tightly linked to Apple.

71. My conclusion is the same as at the priority date in 2008 and now.

1. With respect to the association between “app” and “Apple”, Dr James argued that, because “app” is derived from “application”, it had a closer semantic proximity to “application” than to “Apple”. He said:

75. … the closer semantic proximity of ‘application’ and ‘app’ (as one is derived from the other) mean that the association between these two words would be far stronger than the association either of these would have with the word ‘Apple’. Although it is possible that speakers of English may then associate thee words with ‘Apple’, it is far more likely that they would construct the meaning of ‘app’ purely from the meaning of ‘application’ without making that further or alternative association.

1. Dr James also said:

76. The usage data cited above suggests that, when considered on its own, the word ‘app’ is far more likely to generate the meaning of ‘application’ than ‘Apple’. This is because this association was established in common usage before Apple launched its own ‘App Store’, and the majority of examples of usage for ‘app’ did not relate to Apple. They continue not to relate to Apple in the majority of cases where the word ‘app’ occurs on its own.

77. The ongoing exposure to the word ‘app’ in the general community will therefore reinforce the semantic relationship between ‘app’ and ‘application’ before that of ‘app’ and ‘Apple’. Contrary to the witness statement, I conclude that it is not in fact ‘highly likely’ that speakers of English would immediately trigger an association with Apple when they hear or read the word ‘app’.

1. It is to be noted that these views were expressed with reference only to the word “app”. Dr James considered the possibility of an association between “app store” and “Apple”. He said:

78. On the other hand, the usage data suggests that today, an association between Apple and ‘App Store’ may now arise. The majority of recorded uses of this compound in the GloWbE corpus, for example, do relate to Apple’s ‘app store’. This does not mean that the term is exclusively associated with Apple or that the term excludes the general meaning of a place where people can purchase apps. That general meaning continues.

79. But even this does not mean that listeners hearing the word ‘app’ on its own would trigger an exclusive association with Apple. I disagree with Professor Harris’s conclusion that an association would be triggered ‘whenever an individual hears, speaks, reads or writes one of these terms’.

1. With respect to the orthography of APP STORE, Dr James argued that it is “certain” that APP STORE would be understood as a compound whether written as “appstore”, “app‑store”, “app store” or even “APP STORE”. He said, however, that readers of English may distinguish between “app store” and “App Store”, on the basis that the former rendering would be understood as a common noun, while the latter would be understood as a proper noun because of the capitalisation of the first letter of each constituent. He concluded that “app store” may be read as a reference to one in a general category of stores, while “App Store” may be read as the title of a specific app store.

# analysis of coca references

1. Ms King analysed the records of the word “app” found in COCA for the period 2005 to 2009. She divided the records into two periods: February 2005 to June 2008, and July 2008 to December 2009. Within these periods she categorised the references to “app” and then graphed the results.
2. For example, she prepared a graph for the period February 2005 to June 2008 which shows that the word “app” was used in 83 articles with respect to software, and that the word was used in seven articles with respect to Apple – although I note that at least one of these records is merely dated 2008 and quite obviously refers to the launch of Apple’s App Store in July 2008. There are references to the word “apps” dealing with other subject matter. It is not necessary for me to consider those references.
3. Overwhelmingly, in this period, the references to “apps” in relation to software are to applications running on PCs, most notably in the Windows environment. However, some articles do refer to apps available for the iPhone and also to software for use with video game consoles.
4. The publication in which these references most notably appear is PC World. Other publications include a mix of technology-related and other publications, such as Technology Review, Technology Teacher, Rolling Stone, Atlantic Monthly and Fortune.
5. Ms King also prepared a graph for the period July 2008 to December 2009, which shows that the word “app” was used in 92 articles with respect to software (as a general description or as the name of specific software, such as App Engine), and 52 articles with respect to Apple.
6. Of the 92 articles with respect to software, 57 were sourced from PC World and Technology Review. Of the 52 records published with respect to Apple, most are with respect to Apple’s App Store or Apple’s iTunes App Store, although a number also refer simply to apps for the iPhone.

# The Newspoll survey

1. A Newspoll online omnibus survey (**the survey**) was conducted between 6 and 9 October 2011. It included the following questions:
* Have you ever heard of the term **App Store**?
* When you hear the term **App Store**, do you associate it with any particular company or brand?
* Which company or brand do you associate with the term **App Store**?
1. The survey sample comprised 1,224 adults aged between 18 and 64 years. The sample was selected from the MySurvey online consumer panel, which comprises approximately 163,000 people from across all states and territories of Australia. The panel was created and managed by Lightspeed Research Limited (**Lightspeed**), a member of the same group of companies as Newspoll.
2. Lightspeed invites members of its Mysurvey panel falling within demographic criteria specified by Newspoll to participate in Newspoll’s online omnibus surveys by sending email invitations to nominated email accounts. The emails contain a link which, if clicked, directs the panel member to Newspoll’s online omnibus survey. For the survey, 9,587 invitations were sent to members of the Mysurvey panel in order to obtain the sample of 1,224 respondents.
3. Nicholas Keynes, an employee of Newspoll, was the senior member of the project team that was responsible for designing the survey. However, at the time of the hearing, Mr Keynes was no longer with Newspoll and was not available as a witness. His immediate superior at Newspoll, Mr Davis, was available to give evidence. He made an affidavit which gives full details of how the survey was conducted, including the selection of those who responded to the relevant questions. In that regard, Mr Davis gave the following affidavit evidence:

26. Participants of Newspoll’s online omnibus survey are not selected at random from the total Australian population but are selected from the MySurvey panel, which comprises individuals who have agreed to participate in market research in return for points which can be redeemed for rewards. As a consequence of this method of sampling, the results of Newspoll’s online omnibus survey cannot be described as truly representative of the Australian population. However, given the standard size of the sample (1200 participants), the use of demographic criteria to select survey participants as described in paragraph 15, and the post-weighting applied to the survey results described in paragraph 24, the results of Newspoll’s online omnibus surveys are as close to representative of the Australian population as possible, within the constraints of a survey methodology based on sampling from an online panel.

1. On analysis, the survey showed that 79% of respondents said that they had heard of the term “App Store”. There were some significant variations by age, with respondents aged 18 to 34 significantly more likely to have heard of “App Store” (90%) than those in older age groups (81% among those aged 35 to 49, and 60% among those aged 50 to 64).
2. Regardless of whether they had heard of the term “App Store” before, respondents were asked if they associated the term with a particular company or brand. Nearly two thirds of respondents aged 18 to 64 (65%) indicated that they did associate the term with a particular company or brand. Among the sub-group who said that they had heard of the term “App Store” before, 77% said they associated the term with a particular company or brand. Among the smaller sub-group who said that they had not heard of the term “App Store” before, 23% nevertheless indicated that they associated the term with a particular company or brand.
3. Of those who said they did associate the term “App Store” with a particular company or brand, 88% mentioned Apple, or one of its sub-brands (e.g. iPhone, iTunes or iPod). These respondents did not mention any other companies or brands. A further 4% also mentioned Apple or Apple products in addition to another company or brand, such as Android or Google. The remaining 8% of respondents who had heard of the term “App Store” made no reference to Apple or any of its products in their answers.
4. Newspoll’s overall conclusion from the survey results was that, among 18 to 64 year olds across Australia:
* most had heard of the term “App Store”;
* most associated this term with a particular company or brand;
* amongst those who did associate “App Store” with a particular brand or company, an overwhelming majority associated it with Apple or one of its sub-brands, and
* only a small minority of respondents associated the term with a company or brand other than Apple.

# Internet searches

## Dr Farrow

1. Dr Farrow was engaged by Apple to undertake the following task:

You are requested to establish, through searches of relevant Internet search engines such as Google and others, the extent to which the **app store** term was searched by Internet users in Australia during the 5 years prior to 11 July 2008 and during the period from 11 July 2008 to date.

1. In carrying out this task, Dr Farrow used the Google search engine. Google keeps a record of searches made with its search engine, and stores this information. The stored information can be analysed using a facility called Google Trends. Analyses made using Google Trends can be limited by geographic location and by date period, commencing from January 2004. For example, the Internet usage of search terms can be analysed according to whether a search emanates from an Australian Internet Protocol (IP) address for a selected period from January 2004.
2. Google Trends presents search information in a timeline that charts the fluctuating level of “interest” for the term that is searched over the selected period. The “maximum search interest” for the nominated search term in the selected period is shown in the timeline with a maximum relative value of 100. Google Trends does not give the actual number of searches for the selected search term. A “zero” value on the timeline does not represent “zero” searches. Rather, it means that there is an insufficient “search volume” for the term to be represented on the timeline. Only data in “volumes” that surpass a certain (unstated) threshold are represented.
3. It is important to note at the outset how Dr Farrow carried out this task. He did not use the words app store in parentheses (i.e. “app store”) as the search term. Rather, he simply used the words themselves in combination without parentheses. It is convenient in this part of my reasons to identify this search term in the way in which it was identified in Dr Farrow’s letter of engagement, namely **app store**. Further, because of the temporal limitations of Google Trends to which I have referred, Dr Farrow’s first analysis was for the period commencing from January 2004 and ending in July 2008.
4. Dr Farrow’s first analysis revealed that there was “a small amount of interest in the term in the month prior to July 2008”. Use before then, based on “search volume”, was “negligible”. The “maximum interest” for the search term was in July 2008.
5. Dr Farrow then analysed the extent to which **app store** had been searched since January 2004 using the Google search engine. This analysis showed that since July 2008 to the date of the search (25 September 2013) there had been an increase in the use of **app store** as a search term.
6. Dr Farrow also analysed the extent to which the term **app store** had been searched during 2008 using the Google search engine. This analysis showed that use of the term peaked at a maximum for that calendar year in the period 6 to 12 July.
7. It is convenient to note, at this stage, certain matters which the Registrar relied on as limitations on the probative value of this evidence.
8. First, by using the search term **app store**, as opposed to “app store” (i.e. the words incorporating parentheses), Dr Farrow did not measure the use of app store as a compound. In cross-examination, he accepted that his search included results for both words, in any order, with words or phrases before, after or between those words.
9. Secondly, Dr Farrow’s search results did not reveal whether the search term, or either word of the search term, was used as a trade mark or merely descriptively.
10. Thirdly, Dr Farrow’s searches did not provide for a comparative analysis according to trade source. For example, Dr Farrow accepted that he conducted no search to reveal, for example, any use such as “Apple App Store” or “Android App Store” or some other name used with “App Store”.
11. In addition to Google Trends, Dr Farrow also carried out an analysis of the Internet Archive. The Internet Archive is a digital library of Internet sites and “other cultural artefacts in digital form”. It provides permanent storage of and free public access to collections of digitised materials, including websites, music, moving images, and nearly 3 million public‑domain books.
12. Various media collections have been added to the Internet Archive over time. Certain of these collections are tagged with metadata. The metadata provides descriptive information about the underlying archived data to which it relates, such as when the data was created, who created it, when the data was added to the Internet Archive, what media comprises the data, the media’s content by reference to a textual summary, and so on. There is a search facility which allows media collections to be searched by reference to the associated metadata. These searches are not case-sensitive.
13. Dr Farrow searched the Internet Archive to analyse the extent to which the terms “app store”, “App Store” and “APP STORE” were present in the archived media collections for the period 1 January 1993 to 31 December 2008. Because of the non-case-sensitive nature of the searches he made, all three searches produced the same results, namely seven results from three different collections in the archive. These collections were G4 TV (a United States digital cable and satellite television channel having a focus on male-oriented programming), CNET’s “Buzz Out Loud” (a weekly podcast about technology) and “Cranky Geeks” (a technology-related Internet show produced by Ziff Davis Media centred on discussing technology topics of the week).
14. The earliest reference returned by Dr Farrow’s search was for 9 June 2008 in the “Buzz Out Loud” collection concerning “all the iPhone and App Store news you can shake a stick at”. The other references in the “Buzz Out Loud” collection were to “a lively discussion about the relative crappiness of the applications on the App Store, as well as the moral ramifications of Apple being able to nuke those crappy applications remotely” (7 August 2008) and “an attack on Apple’s arbitrary and annoying App Store approval process” (12 September 2008).
15. In the G4 TV collection there is reference to “a chafing dish full of good news, including the Apple App store …” (10 July 2008) and “stories about the Apple App Store …” (24 September 2008). In the Cranky Geeks collection, there is a story about “Apple’s App Store Doing $30 Million a Month” (13 August 2008) and a story concerning Apple dropping certain requirements for developers submitting applications for consideration “on the iPhone App Store” (1 October 2008).
16. The extent to which these collections have been accessed by others, in the way that Dr Farrow accessed them, including by whom and when, is not stated in the evidence.

## Other deponents

1. Melissa Anderson, a solicitor at King & Wood Mallesons, conducted searches on the Internet using the search terms “APP STORE” and “APPS STORE” for the purpose of identifying websites and other online material featuring the use of those terms other than by Apple. She used the Google search engine and presented her results in an affidavit.
2. Matthew Lyle Carr, also a solicitor at King & Wood Mallesons, printed out a series of web pages he had accessed from URL links provided to him by a colleague. He presented his results in an affidavit.
3. It is an agreed fact (see Exhibit A4) that both Ms Anderson and Mr Carr carried out these tasks at King & Wood Mallesons on instructions from Microsoft Corporation, a client of that firm, or one of the Microsoft Group companies. I will refer in greater detail to the results of Ms Anderson’s and Mr Carr’s work when considering the parties’ submissions.
4. Liam Reginald David James, a solicitor at the Australian Government Solicitor, accessed various Internet addresses and printed out various web pages. He also conducted searches of Apple’s Australian website to determine how Apple used the term “app store”. He presented his results in an affidavit.

# Submissions

## Apple’s submissions

1. Apple submitted that APP STORE is inherently adapted to distinguish the designated services and that, without more, it is capable of distinguishing those services as Apple’s services. Therefore, Apple submitted, the application should be accepted without recourse to either s 41(5) or s 41(6). Alternatively, Apple submitted, the mark is registrable under s 41(5) or s 41(6).
2. In advancing its submissions, Apple placed significant reliance on Professor Harris’ evidence, which it said provided:

… a cogent scientific analysis of “APP STORE” as a compound noun, using the relevant analytical techniques that are the tools of the discipline of linguistics.

1. The cornerstone of this evidence was the contention that, at the filing date, APP STORE did not have a compositional meaning and that it could only be fully-understood non‑compositionally. Apple advanced the various strands of Professor Harris’ reasoning to support this contention.
2. In this connection, Apple submitted that APP STORE was not, at the filing date, a common English expression. Further, it submitted, “app” was not an ordinary or common English word.
3. Apple developed the submission by arguing that, at the time that Apple adopted the combination APP STORE, the word “app” was changing in meaning. It submitted that I should infer that:

… [I]ts more prevalent, narrow meaning that is currently in general usage, namely “small application on a handheld”, is in large part a product of the introduction of the compound by the applicant in light of the analysis of COCA by Professor Harris.

1. Apple also submitted that the use of “store”, when combined with “app”, “involves an element of creativity” because the use of “store” to refer to an online store was unique. In this connection, Apple submitted that, while there had been, previously, sales of products on the Internet, such sales had been effected from dedicated websites generally described as “online stores”. It submitted that the need for traders to use the word “online” emphasises “the artificially strained notion of a non-physical store…”. It noted that, in the mark, Apple did not use the word “online” in combination with “store”.
2. Apple also submitted that its actual use of APP STORE had the four “noteworthy” characteristics identified by Professor Harris in his report: see [90] above. Apple submitted:

… The combined force of these particular aspects in connection with the word “store” involved an admirable element of originality.

1. It also submitted:

Considered as a whole, and without the impermissible distractions of hindsight, the term “APP STORE” is a skilful or catchy expression that, while conveying a degree of meaning, does so in an indirect and permissible manner.

1. Apple accepted that the term “app”, as used in a computing context, existed long before the filing date and the introduction of Apple’s App Store service. The evidence reveals the use of “app” from 1990, 18 years before the filing date. However, Apple submitted, there was no evidence that any other trader had used the term “app store” in respect of the designated services before the filing date.
2. Apple then pointed to Dr Farrow’s evidence concerning the use of **app store** as a search term on the Internet: see [134]-[140] above. Apple submitted that this evidence demonstrated “an enormous spike” in the use of that search term immediately following the launch of Apple’s App Store service and showed why other traders would want to benefit from the interest in that service by adopting the same name.
3. Apple also submitted that its competitors have been readily able to advertise the supply of apps without the need to use the term “app store”. It referred, in that connection, to the supply of software programs by:
* BlackBerry using the “BlackBerry World” website;
* Microsoft using the “Windows Phone Store”, and
* Google using the “Google Play” website.
1. Apple also relied on the results of the Newspoll survey: see [126]-[133] above. Apple submitted that the survey was relevant to whether APP STORE was inherently adapted to distinguish the designated services as Apple’s services, and to whether the application should be accepted under s 41(5) or s 41(6). However, Apple did not explain how this could be so.
2. In this connection, it is to be remembered that the survey was conducted more than three years after the date of Apple’s application for the mark. Apple also sought to link the survey with Dr Farrow’s evidence on the use of **app store** as an Internet search term. Apple submitted that Dr Farrow’s evidence showed that APP STORE functioned as a badge of origin immediately from the launch of Apple’s App Store service and that the Newspoll survey was confirmatory of that fact. It submitted:

… The strength of the survey results shows the initial establishment of the mark had not been disrupted by what followed in the period through to late 2011.

1. Apple also relied on the commercial success of its App Store service. It referred to the evidence on worldwide sales and Australia-based sales since the launch of the service: see [79]-[84] above. Apple submitted:

The applicant’s APP STORE service has become iconic in modern culture. There can be little doubt that, including by reason of extensive use, the applicant’s APP STORE mark does distinguish relevant services as being those of the applicant.

1. Finally, Apple relied on the fact that, during the prosecution of the application, one examiner accepted the application without raising s 41 as a ground for rejection: see [3] above. Apple submitted that this “tends firmly against a conclusion that the mark was not capable of distinguishing the designated services as Apple’s services”.
2. Apple also repeated the submission advanced before the delegate that the registration of trade mark 1156967 (APPSTORE) by an unrelated party, which Apple subsequently acquired by assignment, also supported the position that the mark APP STORE was capable of distinguishing the designated services.
3. For these reasons, Apple submitted that APP STORE should be taken as being capable of distinguishing the designated services. Further, it submitted that, on any view, APP STORE did not inherently refer to the designated services in Classes 38 and 42.

## The Registrar’s submissions

1. The Registrar submitted that APP STORE is not inherently adapted to distinguish any of the designated services and that Apple has not established that APP STORE is registrable under s 41(5) or s 41(6). The Registrar submitted:

52. APP STORE is, self-evidently, made up of two existing English words ‒ “app” and “store”, one of which, “store” was extremely productive of new combinations. Fatal to the applicant’s claim to registration at the priority date and at the local filing date is that each of “app” and “store” were then existing and directly meaningful English words with meanings that together in the compound ‒ APP+STORE ‒ retain the meanings of the parts.

1. The Registrar continued:

53. In short, an APP STORE is a place (not necessarily physical) where one can obtain apps. It is a retail store (online or geographically situate [sic], real or virtual) that supplies apps:

* Apps are computer software (computer programs ‒ application rather than operating programs); increasingly, small application programs for use on hand held or mobile digital electronic devices.
* Stores are places where items are offered for sale and supply, are bought and taken away. That a store may not have a physical location or high street presence in the digital electronic environment of the internet and the web, does not change the shopping experience ‒ intending purchasers go to the site, peruse what is displayed ‒ the catalogue ‒ store display ‒ make their selection, purchase it and obtain delivery of the item acquired, which they can then use or consume.
1. It followed, the Registrar submitted, that APP STORE is directly descriptive of the designated services in Class 35. The Registrar thus disputed that APP STORE could only be fully-understood non-compositionally.
2. With respect to the designated services in Classes 38 and 42, the Registrar submitted that such services:

… comprise services that a customer might reasonably expect to obtain from a supplier of apps from a store where the store is an online store.

1. The Registrar further submitted that, in a number of respects, these services include services that:

… would reasonably be understood as being offered by or under the aegis of the same supplier [as the Class 35 services].

1. The Registrar surveyed the evidence on the meaning of “app” and “store” and also the use by other traders of “app store”. The Registrar’s submissions advanced certain criticisms of Professor Harris’ evidence and Dr Farrow’s evidence, as well as of the Newspoll survey. I have already summarised some of the criticisms directed to Dr Farrow’s evidence.

# Consideration

## Introduction

1. The cornerstone of Apple’s submissions is the contention that, at the filing date, the expression “app store” could only be fully-understood non-compositionally. The contention was grounded on Professor Harris’ evidence, which rested on the twin propositions that Apple’s actual use of “App Store” (a) entrenched a narrow meaning of the word “app” to refer to “small programs tailored to quite specific tasks and running on hand-held devices” and (b) ushered in a novel meaning of “store”. It is necessary to examine the correctness of each proposition. Before doing so, it is necessary to make a general observation about Professor Harris’ evidence.
2. Without in any way questioning Professor Harris’ expertise in the field of linguistics, and, indeed, without being in any way critical of him personally, his declaration and subsequent report are, in large measure, argumentative, rather than factual, in nature. Although Professor Harris supported his reasoning by reference to the literature, including, in particular, literature on word recognition, it is clear that a number of the propositions he advanced as matters of fact, specific to the instant case, were really no more than Professor Harris’ own assertions or argumentative conclusions which, in some cases, were also based, in part, on his independent fact-finding. His arguments also seem to have been directed to his own understanding of how Apple supplies its App Store service rather than the broader specification of services for which Apple has sought registration.

## “App”

1. I turn to consider, first, the proposition that Apple’s use of “app” in “App Store” entrenched the meaning of “app” in the way referred to by Professor Harris.
2. On the evidence before me, I am satisfied that, well before 2008, the word “app” had a well-established and well-understood meaning as a shorthand expression for computer software that is application, as opposed to operating, software. I do not accept that, at the filing date, this use of the word was restricted to computer experts. I am satisfied that it was the received meaning for many interested users of computer software and certainly for those involved in the trade of supplying computer programs, including by retail.
3. There is no better evidence of this fact than Apple’s own press releases. It is clear that in its press release of 11 July 2008, Apple was using the terms “applications” and “apps” interchangeably, not distinguishing between them. It may, of course, be accepted that Apple was talking about “applications” or “apps” suitable for devices such as its iPhone 3G, whose availability for sale was being announced at the same time. However, on an objective reading of the press release, it is clear that, by using the words “applications” and “apps”, Apple was not propounding, and would not be understood as propounding, some new or otherwise special use of either term. Put another way, viewed objectively, Apple was not coining new words or endeavouring to imbue the words “applications” and “apps” with new and distinct meanings. Its press release makes clear that the “applications” or “apps” to which it was referring could be downloaded directly onto Apple’s handheld devices and also onto desktop computers (whether Mac or PC) from which the “applications” or “apps” could also be “synced” to an iPhone or iPod touch device. Thus, the “applications” or “apps” made available through the App Store service were certainly suitable for use on the designated handheld devices, but not exclusively so. The important point is that, in its press release, Apple was not using “applications” or “apps” in a way that was confined to the narrow meaning advocated by Professor Harris. Indeed, there is no evidence to suggest that, even at the present time, the words “applications” and “apps” do not still bear the general meaning of “computer application”. Whether the application software is to be used on a handheld device or, say, a desktop computer, the software is (and was at the filing date) still an “app”.
4. It may well be that, because of the ubiquity of handheld “smart” devices, the word “app” has, over time, come to be more closely identified with computer applications used on such devices. But the changing patterns of commerce and consumer preference both before and after 2008 do not mean that, at the time that Apple launched its App Store service and, more particularly, at the time it applied for the mark, it had coined a new word “app” or had given that word a changed meaning. Indeed, it is clear that Apple was couching its press release in language which it must have considered to be completely intelligible to the broad audience it was then addressing. The same can be said of Apple’s immediately succeeding press releases from which I have also quoted, which also use the terms “applications” and “apps” interchangeably.
5. My conclusion on the meaning of “app” as at the filing date is clearly supported by Ms King’s analysis of the references in COCA for the period February 2005 to June 2008 and for the period July 2008 to December 2009, based on Dr James’ research.
6. In any event, Apple’s emphasis on “app” having the restricted meaning advocated by Professor Harris ignores the specification of the services for which it seeks registration. In only one instance does the specification refer to “computer software for use on handheld mobile digital electronic devices and other consumer electronics”: see the specification of the designated services in Class 35: quoted at [19]. As is apparent, even that particular description extends to computer software for use on consumer electronics, and is not confined to either “small” programs or programs for use on handheld devices. Otherwise, the specification of the designated services in Class 35 simply refers to “computer programs”. The specification of the designated services in Class 42 refers, in part, to “mobile digital electronic devices and other consumer electronics”. Once again, this particular part of the specification does not confine the services to those involving application software having the specific characteristics described by Professor Harris. In most other aspects of the description of the designated services, the reference is simply to computer software. Application software is quite clearly computer software.
7. In relation to the question of word associations with “app”, Professor Harris’ “assertion” (his word) that there is a strong phonological link between “app” and “Apple” draws on findings reported in the literature, although not literature dealing with studies that have examined the word “app”. Professor Harris drew on the general proposition that, according to the literature, phonologically similar words can be jointly accessed in searches of the mental lexicon. He said that some of the studies to which he referred “confirmed” that one word can trigger an association with a phonologically similar word. However, whether an association would be formed, specifically, between “app” and “Apple” is another matter, particularly where, as Professor Harris acknowledged in both his declaration and his report, semantics has a role to play.
8. In this connection, Professor Harris’ argument in his declaration was that when “app” is used with specific reference to “Apple”, it falls into the same semantic field of digital technology as “app” with its software meaning of “application”: see [100]-[101] above. Thus, in Professor Harris’ analysis, the use of “app” with specific reference to “Apple” is the semantic criterion that leads to “app”, “application” and “Apple” falling within what he described as “the range of phonologically and semantically defined lexical cohort”. It is on this basis that Professor Harris expressed the view that individuals are likely to perceive a strong association between “app”, “application” and “Apple”.
9. The difficulty with this argument is the semantic criterion which Professor Harris applied to “narrow” the lexical neighbourhood, namely the use of “app” with specific reference to “Apple” itself. It is, perhaps, a matter of little surprise that, in such circumstances, one might well argue that individuals are likely to see an association between “app” and “Apple”. But, if that association is made, it is because of the involvement, in the formation of perceptions, of an indicium (the specific reference to “Apple”) that is extraneous to the mark itself. Thus, the association for which Professor Harris argued is critically dependent on the particular circumstances of use. This is an important matter to be borne in mind when considering whether and to what extent a mark is inherently adapted to distinguish at the time when application for its registration is made. This is because, in trade mark law, inherent adaptation is directed solely to the intrinsic qualities of the mark itself, not to features or circumstances that are extraneous to the mark.

## “Store”

1. I now turn to consider the second proposition that the word “store”, as used in APP STORE, “ushered in a new meaning” of that word.
2. I am not persuaded that the word “store”, as used in APP STORE, ushered in a new meaning of that word. On the evidence, I am satisfied that, at the time that Apple applied for the APP STORE mark, the word “store” had a well-established and well-understood meaning among traders and the general public that was not confined to the traditional notion of a physical store, but extended, as well, to an online store for the provision of goods or services.
3. In this regard, Professor Harris was in complete agreement with Dr James that the meaning of “store” has changed over the years to refer to “a non-physical entity”. The evidence shows, for example, the extensive use of the expression “online store” since the mid-1990s. The evidence also shows the following trading activity using the word “store” in the online environment.
4. In November 2000, Amazon.com launched its e-Books store. The press release announcing the launch stated:

The new Amazon.com e-Books store brings together the best of Amazon.com – great search capabilities, unique personalization features, insightful customer review and vast selection – and combines it with the strengths of the Microsoft Reader eBook platform to bring customers the ultimate destination for digital content. Offering e-books in Microsoft Reader format for PCs and laptops, and downloadable e-audiobooks from Amazon.com partner audible.com, the new store makes it easy for novices to get started with these new formats and for experts to find exactly what they are seeking.

1. In February 2001, Amazon.com launched a new Software Download Store. The press release announcing the launch described the store as one:

 … that will make it more convenient for customers to purchase popular software programs and download them directly to their computers from Amazon.com.

1. The press release continued:

The new store features many of the most popular downloadable titles in the industry, including a favourite this time of year, Intuit’s Turbo tax. Downloadable software benefits customers in that it provides near real-time delivery of the product 24 hours a day.

1. In July 2001, Amazon.com announced the launch of its e-Documents store. The press release announcing the launch described this service as:

 … further expanding [Amazon.com’s] digital product offerings and significantly broadening the content range available to its more than 32 million cumulative customers.

1. The press release continued:

Complementing the e-tailer’s book and e-book offerings, e-documents offer customers immediate access to texts that can be difficult to find in print, such as investor research reports, journal articles, reference material, magazine archives and other research documents. e-Documents can be downloaded quickly and read instantly on a computer or as printed hard copies.

1. In April 2003, Apple announced its iTunes Music Store which, at the time, was publicised as:

… a revolutionary online music store that lets customers quickly find, purchase and download the music they want for just 99 cents per song, without subscription fees. The iTunes Music Store offers groundbreaking personal use rights, including burning songs onto an unlimited number of CDs for personal use, listening to songs on an unlimited number of iPods, playing songs on up to three Macintosh computers, and using songs in any application on the Mac, including iPhoto, iMovie and iDVD.

1. Apple sought to distinguish this trading activity on the basis that the names used (e.g. “iTunes” or “e-Books store”) signified that the stores were operating in an online environment. With respect, I think that this submission misses the point, which is that the word “store”, in each case, was used descriptively as the name of a trade channel through which goods and services supplied at retail could be acquired.
2. I am satisfied that, at the filing date, the context in which “store” was used would inform traders and the general public whether the store in question was a physical store or “a non-physical entity”, such as an online store, and that traders and the general public would consider the word “store” to be apt to refer to either trading environment. I do not accept that, at the filing date, it was necessary for a trader to use the word “online” in conjunction with “store” to convey the meaning that the store was conducted in an online environment, although clearly the use of “online” would have expressly stated that fact. Moreover, at the time that it filed its application for APP STORE, Apple, by its own specification, plainly regarded the online supply of retail services to be aptly described as “retail store services”.
3. There is simply no evidence that Apple’s use of the word “store”, as encompassing all four attributes posited by Professor Harris (see [90]) above), was conveyed by the expression APP STORE alone. Even if it did, there is no evidence that such use was a novel use of the word “store” that was established by Apple, as Professor Harris contended. That statement by Professor Harris is, with respect, really no more than his say-so. Further, this argument, which found expression in Professor Harris’ report, is a considerable development of the argument he initially advanced in his declaration, which focused on the attribute that the “customer pays not for the software itself but rather for a licence that allows the software to run on Apple devices”. Professor Harris’ report subsequently acknowledged that this attribute alone was not novel in 2008: see para 13 thereof.
4. In any event, and more importantly, Apple has not sought to limit the designated “retail store services” in its application for APP STORE to services supplied online, let alone to services having the four attributes posited by Professor Harris.

## APP STORE: Class 35

1. Having considered the meaning of the words “app” and “store” at the filing date, I turn to consider, in the context of inherent adaptation, the combination of those words in the mark APP STORE in respect of, firstly, the designated services in Class 35.
2. I am satisfied on the balance of probabilities that, at the filing date, members of the public seeking to acquire application software would have understood APP STORE as no more than an expression to describe a trade channel – a store – by or through which application software could be acquired. The fact that the “acquisition” would have involved the acquisition of rights by way of licence does not, in my view, bear upon the matter.
3. For this reason, I am also satisfied on the balance of probabilities that, at the filing date, traders would have wished to use the words “app store”, in some form, to describe, without improper motive, the same trade channel and activity in respect of computer software. In other words, I am satisfied that, at that time, other traders might have wished to use the same words, in combination, for the signification which, as a matter of ordinary language, they then possessed.
4. It follows that I do not accept the contention that, at the filing date, APP STORE could only be fully-understood non-compositionally. Far from it. I am satisfied that, at that time, APP STORE was not to any extent inherently adapted to distinguish the designated services in Class 35.
5. Mr Carr’s evidence, Ms Anderson’s evidence and Mr James’ evidence shows, by reference to Internet searches conducted in September 2010, March 2012 and August 2013, that a number of traders, reviewers and online news publishers used the words “app store” descriptively in the way I have found. The searches show that, in a number of cases, these words were also used by traders as a descriptive element in their trade names.
6. I treat this evidence with some caution. The searches were conducted at times that are somewhat remote from the filing date. The evidence does not reveal when the exemplified use first occurred. Nevertheless, having reached the view independently of this evidence that, at the filing date, APP STORE would have been understood by traders and the general public as a descriptive expression, these searches do illustrate the use of those words in that way by other traders in relation to goods or services involving the supply of application software.
7. In coming to the conclusion that, at the filing date, APP STORE was not to any extent inherently adapted to distinguish the designated services in Class 35, I have taken into account Apple’s submission that it was the first to use the combination “app store”. I think that this statement is doubtful, bearing in mind that trade mark 1156967 (APPSTORE) was applied for in 2006 by an applicant unrelated to Apple. Although not the same mark, the application for APPSTORE shows that another trader, before Apple, saw utility in using the combination of the words “app” and “store” in relation to the supply of services similar to the designated services.
8. Nevertheless, even if it be assumed that Apple was the first to use the expression “app store”, it would not follow from that fact that APP STORE was, or was to some extent, at the filing date, inherently adapted to distinguish the designated services in Class 35.
9. Generally speaking, newly-coined expressions will not be taken to be inherently adapted to distinguish if they comprise ordinary English words (even, in some cases, foreign words) that retain the signification which they bear as a matter of ordinary language in relation to the goods or services for which registration is sought. As Dixon J observed in *Howard Auto-Cultivators Limited v Webb Industries Proprietary Limited* (1946) 72 CLR 175 at 184:

… I think that the question depends upon the use to which it is intended to put the word-mark. Doubtless a word is no less invented because, when it comes to be affixed to an article, its meaning is determined and perhaps explained. But the meaning of all words is governed by their context and how words are understood depends upon the universe of discourse. Here the scope of the use of the word is settled by the application for registration …

1. In *Eastman Photographic Materials Company, Limited v The Comptroller-General of Patents, Designs, and Trade Marks* [1898] AC 571, Lord Herschell explained:

… An invented word is allowed to be registered as a trade-mark, not as a reward of merit, but because its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases.

It may, no doubt, sometimes be difficult to determine whether a word is an invented word or not. I do not think the combination of two English words is an invented word, even although the combination may not have been in use before; nor do I think that a mere variation of the orthography or termination of a word would be sufficient to constitute an invented word, if to the eye or ear the same idea would be conveyed as by the word in its ordinary form. …

1. In the present case, even if Apple was in fact the first to use the combination “app store”, I am satisfied that, at the filing date, the words in that combination bore no more than their ordinary signification when applied to the designated services in Class 35.
2. In this connection, I do not think that Dr Farrow’s evidence materially assists Apple. Apart from anything else, his evidence suffers from the significant deficiencies pointed out by the Registrar whose submissions, in that regard, I accept: see [141]-[144] above. But even when taken with other evidence, such as the timing of Apple’s press releases concerning the launch of its App Store service, Dr Farrow’s evidence suggests no more than that there was a heightened awareness of the App Store service immediately after the launch. Such awareness, however, says nothing about the inherent adaptation of APP STORE to distinguish the designated services in Class 35. The same observation can be made about the Newspoll survey to which I will return later in these reasons.
3. As I have noted, Apple also argued that, because trade mark 1156967 was registered (and hence accepted by the Registrar as capable of distinguishing the services in respect of which it is registered), APP STORE, equally, should be taken as being capable of distinguishing the designated services in Class 35.
4. I am not persuaded by that submission. First, the registrability of APPSTORE is not before me for determination. I do not know the circumstances in which trade mark 1156967 came to be registered or what, if any, evidence was placed before the Registrar in that regard. Secondly, APPSTORE and APP STORE are not the same mark. It is at least arguable – I say no more – that the conjoined form APPSTORE is to some extent inherently adapted to distinguish because of that form. Thirdly, as Wilcox J observed in *Ocean Spray Cranberries* (see [66] above), marks may have been wrongly registered in the past. It is an unwarranted distraction to investigate whether that is the case in the present matter.
5. In a similar vein, I place little weight on the fact that, during the prosecution of the application for APP STORE, one examiner accepted the application without raising s 41 as a ground for rejection. It seems to me that to ponder on that fact is also a distraction, given the considered view of the Registrar’s delegate on that matter after s 41 was raised as the reason for revoking the acceptance that, initially, had been given. In any event, it is now for the Court to come to its own view on that question.
6. I turn, finally in this regard, to Professor Harris’ argument concerning the prepositional use of “on” in the phrase “on the App Store” as indicating that APP STORE did not have a compositional meaning at the filing date.
7. Neither the preposition “on” nor the phrase “on the App Store” – nor, indeed, the device element to which Professor Harris made specific reference – is the mark or part of the mark for which application is sought, namely APP STORE simpliciter. Thus, the argument concerning the prepositional use of “on” in the device to which Professor Harris referred can be put to one side. It is founded on indicia which are extraneous to the mark itself.

## Factual distinctiveness: Class 35

1. Having reached the conclusion that APP STORE is not to any extent inherently adapted to distinguish the designated services in Class 35, I turn to consider whether the mark is taken to be capable of distinguishing the designated services by reference to s 41(6) of the Act. Any consideration of whether the mark is to be taken to be capable of distinguishing the designated services by reference to 41(5) is irrelevant.
2. The relevant period for considering factual distinctiveness is the period of use of the relevant mark up to the filing date of the application. In the present case, this is the period from 11 July 2008 (Apple did not seek to place any real significance on a media release of 6 March 2008 referring to the forthcoming launch of the App Store service) to 18 July 2008, at most eight days.
3. The evidence is opaque so far as concerns the manner in which Apple promoted the App Store service in that period. There are, of course, the press releases to which I have referred at [76]-[84] above. However, the evidence does not show how those press releases were utilised in Australia except, perhaps, appearing on Apple’s Australian website. Beyond the press releases themselves, there is no evidence of any advertising or other promotional activities undertaken in the relevant period by Apple with respect to APP STORE, either in Australia or elsewhere.
4. Despite the limitations of Dr Farrow’s evidence (see [141]-[144] above), I am prepared to accept that, as part of the launch of the iPhone 3G in Australia, Apple’s App Store aroused significant interest, manifested by persons undertaking inquiries on the Internet using **app store** as a search term. I am also prepared to accept that, within the relevant period, a number of persons – perhaps many persons – associated the idea of the App Store service with Apple. But this is far from saying that, at the filing date, Apple’s use of “App Store” had been such that the mark distinguished the designated services as being Apple’s services and not those, also, of other persons.
5. In this connection, I do not think that the Newspoll survey provides any real assistance on the question. First and foremost, the survey was undertaken well after the relevant period. Apple’s submission that the Newspoll survey, conducted more than three years after the date of Apple’s application for the mark, can be taken as confirmatory of the fact that APP STORE functioned as a badge of origin at the filing date is fallacious: see *Optical 88 Ltd v Optical 88 Pty Ltd (No 2)* (2010) 275 ALR 526 at [396] and [410]-[415].
6. Secondly, the survey is, in any event, of limited probative value. It establishes no more than that, as at early October 2011, there was an association between Apple and the term “App Store” (i.e. the form used by Apple). The point was cogently made in Mr Davis’ cross-examination:

The word “association” indicates quite a broad question?---Correct.

It could be association in a number of ways?---Correct.

And the questions here don’t ask what is that association, do they?---No, they did not.

That would have provided a more precise answer?---I think that depends what you’re trying to measure. By more precise answer do you mean something like measuring who owns something?

Yes?---Okay. Well, I don’t think – looking at these questions, if I were designing them, I would say they’re not designed to measure that.

1. The insufficiency of such evidence to show that a sign functions as a trade mark has been the subject of discussion in the cases. For example, in *Chocolaterie Guylian*, Sundberg J considered whether, by reference to survey evidence, the shape of a chocolate functioned as a trade mark. His Honour (at [95]) said:

95. … The survey evidence here plainly shows an association between the seahorse shape and Guylian. This is no doubt due in large part to the substantial sales of Guylian’s sea shell chocolates with the seahorse shape over a considerable period of time. However, even assuming that the association in this case is strong enough, the anterior question is whether the association is referable to Guylian having used the shape as a trade mark. In other words, is the fact that a relatively large proportion of consumers may think of Guylian when they see the shape a consequence of Guylian having educated the public to recognise it as a badge of origin. When the evidence of use is considered as a whole, I am not satisfied that Guylian has done so …

1. In *Societe Des Produits Nestle SA v Unilever plc* [2003] RPC 35, Jacob J, when also dealing with whether a particular shape functioned as a trade mark, was critical of survey evidence that showed no more than that the sign in question had an association – even a high degree of association – with the trade mark applicant. At 662, his Lordship said:

There is a bit of sleight of hand going on here and in other cases of this sort. The trick works like this. The manufacturer sells and advertises his product widely and under a well-known trade mark. After some while the product appearance becomes well-known. He then says the appearance alone will serve as a trade mark, even though he himself never relied on the appearance alone to designate origin and would not dare to do so. He then gets registration of the shape alone. Now he is in a position to stop other parties, using their own word trade marks, from selling the product, even though no-one is deceived or misled.

1. His Lordship continued:

… it is not enough to prove the public recognises them as the product of a particular manufacturer. It must be proved that consumers regard the shape alone as a badge of trade origin in the sense that they would rely upon that shape alone as an indication of trade origin, particularly to buy the goods. If that cannot be proved, then the shape is not properly a trade mark, it does not have a “distinctive character” for the purposes of trade mark law.

1. In *Woolworths Ltd v BP plc (No 2)* (2006) 154 FCR 97, the Full Court considered whether it had been established for the purposes of s 41(6) of the Act that a particular shade of green should be taken as having the capacity to distinguish. Survey evidence established that 85% of respondents identified BP when shown a picture of a service station coloured green. Expert evidence was given that this showed a “strong association” between BP and the colour green. The Full Court (at [117]) remarked:

117. Dr Bednall concluded that there was a strong association between green and BP. This conclusion is hardly surprising. Green had been one of BP’s company colours since at least 1956. After 1989 it had been used as the predominant colour with yellow. In particular, in circumstances where there were only a few oil companies, where all have used colour historically to distinguish themselves, where BP has been the only company before 1995 to use green in that way, it is hardly surprising that people shown this stimulus would associate the green service station with BP service stations which have been coloured with a predominant green and accompanying yellow. That association does not lead to the conclusion that the use of colour from 1989 has included use, as a trade mark, of either green alone, or green as the predominant colour accompanied by any other colour. The mere fact that consumers associate green with BP does not, in our view, satisfy the test of distinctiveness required by s 41(6). Evidence of promotion and use does not, without more, demonstrate distinctiveness: see *Blount v Registrar of Trade Marks* at 61G, citing with approval Jacobs J in *British Sugar plc v James Robertson & Sons Ltd* at 286 and 302; and *Koninklijbe Philips Electronics NV v Remington Products Australia Pty Ltd* at [13]. It is necessary for BP to establish that the association is referable to the use of the mark as a trade mark. The learned authors of *Kerly’s Law of Trade Marks and Trade Names* (Kitchin D, Llewelyn D, Mellor J, Meade R, Moody-Stuart T, Keeling D, Jacob R *Kerly’s Law of Trade Marks and Trade Names* (14th ed, Sweet Maxwell, 2005) at [8-025]) state, albeit in the European context, that to establish distinctiveness through use the proprietor must have done something in its use to identify the sign as being a trade mark; the use of a sign, without more, does not necessarily create the perception that the products originate from a particular trade source: cf *Societe des Produits Nestle SA v Unilever plc* [2003] RPC 35 at [31].

1. The findings in these cases were directed specifically to the capacity of shape marks and colour marks to distinguish. The reasoning is nevertheless applicable to the capacity of word marks to distinguish.
2. Here, it is known that the promotion of Apple’s App Store service was undertaken in connection with the name Apple, the launch of the Apple iPhone 3G, and the facility provided by the App Store service for acquiring apps for use on Apple products. Thus, it would have been rational for members of the public seeking apps for their Apple products to think that there was an association between Apple and the App Store referred to for acquiring those apps. But that is quite a different thing from those members of the public attributing trade mark signification to the words “app store” themselves. The survey results fall short of establishing that fact.
3. In all the circumstances, Apple has not established that, because of the extent to which it had used “App Store” before the filing date, APP STORE did, at the filing date, distinguish the designated services in Class 35 as being Apple’s services and not those of other persons. It follows that, for this reason, the application must be rejected.

## The designated services in Classes 38 and 42

1. My finding that the application for registration of APP STORE for the designated services in Class 35 must be rejected determines the fate of the application as a whole. This is because there are no separate applications for registration of the mark for the designated services Classes 38 and 42. There is but one application covering registration of the mark for all the services that have been specified. If the application fails in one respect, it fails as a whole. In these circumstances, is not necessary for me to proceed to determine the registrability of APP STORE for the designated services in Class 38 or Class 42.
2. The parties nevertheless made brief submissions in relation to the registrability of the mark in respect of the designated services in Classes 38 and 42, separately from the application for registration in respect of the designated services in Class 35.
3. Apple submitted that APP STORE “does not inherently refer to the Class 38 and 42 services …”. It pointed to the references in the specification to “telecommunication services” and “providing consulting services and technical trouble shooting support for computer software”. The designated services in Classes 38 and 42 are, of course, more broadly specified than captured by those two examples.
4. The Registrar submitted that each of the designated services in Classes 38 and 42 are services that a customer might reasonably expect to obtain from a supplier of apps of an online store. In particular, the Registrar submitted:

They include services that are within the purview of the Class 35 services, as after-supply services, maintenance, repair, technical and like services (“help”), and as services that are otherwise similar to the provision of the Class 35 retail services. They would reasonably be understood as being offered by or under the aegis of the same supplier. As such, the term APP STORE well describes the provision of those services in the online (wired or wireless) environment.

1. The Registrar’s submission reflects the finding of the delegate quoted at [63] above.
2. I do not propose to consider this aspect of the trade mark application as if it were a divisional application for the designated services in Classes 38 and 42. Within the context of the present application, I am persuaded that the designated services in Classes 38 and 42 do cover services that one might reasonably expect an “app store” to provide, especially where the apps are provided to the customer by downloading them using the Internet, which is undoubtedly the way in which Apple has delivered its App Store service.
3. I should make it clear that, quite properly, the Court has not been called upon to tease out from Apple’s specification those services in Classes 38 and 42 that might conceivably be registrable from those that are clearly not registrable. However, taking the two examples brought forward by Apple (see [234] above), I am satisfied that each can be seen as covering an aspect of operating an “app store”, such as Apple’s App Store. Thus, APP STORE, when applied to those services, is simply descriptive of the kinds of services that can be supplied through or might be involved in operating an “app store”.
4. I am satisfied that, considered over the range of Apple’s specification of services in Classes 38 and 42, and bearing in mind the essentially descriptive nature of the words “app store”, the mark APP STORE is not to any extent inherently adapted to distinguish those services. Further, as with the designated services in Class 35, Apple has not established that, because of the extent to which it had used APP STORE before the filing date, the mark did, at the filing date, distinguish the designated services in Classes 38 and 42 as being Apple’s services and not those of other persons.

## Conclusion

1. I am satisfied that the mark APP STORE is not to any extent inherently adapted to distinguish the designated services in Classes 35, 38 and 42. Apple has not established that, because of the extent to which it has used the mark before the filing date, it does distinguish the designated services as being Apple’s services. It follows that APP STORE must be taken as not being capable of distinguishing the designated services as Apple’s services. The application must, therefore, be rejected.

# The role of the Registrar

1. Apple criticised the role played by the Registrar in this appeal. It submitted that the Registrar had adopted “an overly active role” in the appeal by obtaining evidence that was not before the delegate. Apple submitted that the Registrar had taken “the remarkable steps of obtaining her own expert evidence and also affidavit evidence from third parties”. Of particular concern to Apple in this latter regard is the fact that some of the evidence obtained by the Registrar came from the solicitors acting for Microsoft Corporation in Australia, in circumstances where Microsoft Corporation has opposed Apple’s corresponding application for the registration of APP STORE as a trade mark in the United States of America.
2. Apple also complained that the Registrar had objected to the admission of certain evidence and had “taken a partisan role that impermissibly seeks to defend the delegate’s primary decision, rather than simply providing assistance to the Court on general questions of importance”.
3. Apple submitted that, in an appeal such as the present, which concerns a decision of the Registrar where the applicant for registration was the only party before the Registrar, the Registrar should not:
* adduce evidence that is additional evidence, obtained from third parties, that was not before the delegate, and
* seek to defend the delegate’s primary decision.
1. Apple submitted that, in such circumstances, the Registrar’s role should be limited to dealing with questions of general importance that might be raised by the appellant’s submissions.
2. As this is an appeal from the Registrar in which there is no party in opposition to the party bringing the appeal, the Registrar is a party to the proceeding: r 34.23 *Federal Court Rules 2011* (Cth). In *Merck & Co Inc v Sankyo Co Ltd* (1992) 23 IPR 415 at 418, Lockhart J observed that when the Commissioner of Patents is in the same position, the Commissioner has “the full rights of a party”, otherwise “there will be no-one to present a view contrary to that of the applicant in the court”. The same must be true for the Registrar: see the definition of “Commissioner” in r 34.21. I do not accept, therefore, that the Registrar’s role in the present appeal is the limited one described by Apple, although, in an appropriate case, the Registrar may choose to adopt that role. That said, I do not think that I should endeavour to state, as it were, the metes and bounds of how the Registrar should or should not proceed in an appeal such as the present one. This is because the circumstances of each such appeal will vary considerably and, in any event, reasonable forensic decision-making is not required to follow just one – and only one – course.
3. In the present appeal, a large body of evidence, including expert evidence, was adduced by Apple. The Registrar was not bound to accept either the completeness or the correctness of that evidence. If, as here, there was a genuine alternative case available on the facts or evidence which materially qualified the case brought by Apple, then that alternative case could only be advanced by evidence adduced by the Registrar in the appeal, including by way of expert evidence, bearing in mind the nature of the proceeding as a hearing de novo. I do not think that the Registrar should be criticised for advancing a case for the Court’s consideration. To deny the Registrar that opportunity would be to deny the Court the opportunity to make findings on an appropriately-informed basis. This is not to encourage the Registrar, as a party to such an appeal, to make the case before the Court more factually complex or extensive than it need reasonably be or to take other than appropriately measured steps in the conduct of the litigation. Quite clearly, appropriate judgment must be exercised in considering what evidence is truly necessary, and what forensic decisions should be taken, to fulfil the Registrar’s role, which must be to take reasonable steps under the Act to protect the public interest in respect of the registration of trade marks in Australia. I do not think that the Registrar has over-stepped the mark in this case. Further, I do not accept that the Registrar has adopted a role in this appeal that could be properly described as “partisan”.
4. Finally, I do not think that it would be fair to criticise the Registrar for adducing relevant evidence simply because it was given by two legal practitioners who were employed by the solicitors acting for Microsoft Corporation in Australia. It is an agreed fact that the deponents undertook the activities, about which they give evidence, in the course of their duties as employees of those solicitors, pursuant to instructions from Microsoft Corporation or from one of the companies in the Microsoft group of companies. However, the circumstances in which that evidence was either obtained by or came to be provided to the Registrar are not before me. Without at least knowing those circumstances, it would not be fair for me to infer, as Apple’s submission suggests, that the adduction of this evidence involved some unstated impropriety on the part of the Registrar.

# Disposition

1. The appeal should be dismissed with costs.

|  |
| --- |
| I certify that the preceding two hundred and forty-eight (248) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Yates. |

Associate:

Dated: 3 December 2014