Federal Court of Australia

Caterpillar Inc v Puma SE [2021] FCA 1014

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| Appeal from: | Caterpillar Inc v Puma SE [2019] ATMO 99 |
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| File number(s): | VID 773 of 2019 |
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| Judgment of: | **O'BRYAN J** |
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| Date of judgment: | 27 August 2021 |
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| Catchwords: | **TRADE MARKS** – application for registration of PROCAT word mark in classes 18 and 25 in respect of apparel, footwear, bags and accessories – opposition based on prior registration and reputation of CAT word and device marks – appeal from decision of Registrar of Trade Marks allowing registration – whether PROCAT deceptively similar to CAT within s 44 of the *Trade Marks Act 1995* (Cth) – whether relevant to consider industry practice of using multiple marks on footwear – whether industry practice established on the evidence – degree of textual, phonetic and conceptual similarity – whether use of PROCAT mark would be likely to deceive or cause confusion because of the reputation of the CAT word and device marks within s 60 – whether reputation in CAT word mark established – whether use of PROCAT mark would be contrary to law by reason of contravening ss 18 and 29(1)(g) and (h) of the Australian Consumer Law – appeal allowed |
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| Legislation: | *Competition and Consumer Act 2010* (Cth) Sch 2 (*Australian Consumer Law*) ss 18 and 29*Trade Marks Act 1995* (Cth) ss 42(b), 44, 56, 60 |
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| Cases cited: |  *Australian Competition and Consumer Commission v Employsure Pty Ltd* [2021] FCAFC 142*Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2020) 278 FCR 450*Australian Postal Corporation* *Australian Postal Corporation v Digital Post Australia Pty Ltd* [2013] FCAFC 153; 308 ALR 1*Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641*Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR 353*CA Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539; 52 IPR 42*Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107*Companhia Souza Cruz Industria E Comercio v Rothmans of Pall Mall (Australia) Ltd* (1998) 41 IPR 497*Crazy Ron’s Communications Pty Ltd v Mobileworld Communications Pty Ltd* [2004] FCAFC 196; 209 ALR 1*Delfi Chocolate Manufacturing SA v Mars Australia Pty Ltd* [2015] FCA 1065; 115 IPR 82*Gardenia Overseas Pty Ltd v The Garden Company Ltd* (1993) 47 FCR 220*Google Inc v ACCC* (2013) 249 CLR 435*Hashtag Burgers Pty Ltd v In-N-Out Burgers, Inc* [2020] FCAFC 235; 385 ALR 514*In-N-Out Burgers, Inc v Hashtag Burgers Pty Ltd* [2020] FCA 193; 377 ALR 116*Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606; 81 IPR 354*MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236*Pacific Publications Pty Ltd v IPC Media Pty Ltd* [2003] FCA 104; 57 IPR 28*Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191*Pfizer Products Inc v Karam* (2006) 219 FCR 585*Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* (2017) 251 FCR 379*Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410*Polo Textile Industries Pty Ltd v Domestic Textile Corp Pty Ltd* (1993) 42 FCR 227*Re Application by Pianotist Co Ltd* (1906) 1A IPR 379*Re Grundig Trade Mark* [1968] RPC 89*Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84*Registrar of Trade Marks v Woolworths Limited* (1999) 93 FCR 365*Rodney Jane Racing Pty Ltd v Monster Energy Company* [2019] FCA 923; 142 IPR 275*Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147*Shell Co of Australia Ltd v Esso* *Standard Oil (Aust) Ltd* (1963) 109 CLR 407*Singtel Optus Pty Ltd v Optum Inc* [2018] FCA 575; 140 IPR 1*Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592*Telstra Corp Ltd v Phone Directories Co Australia Pty Ltd* (2015) 237 FCR 388*Tivo Inc v Vivo International Corp Pty Ltd* [2012] FCA 252*Vivo International Corporation Pty Ltd & Anor v Tivo Inc & Anor* [2012] FCAFC 159; 294 ALR 661*Wingate Marketing Pty Ltd v Levi Strauss & Co* (1994) 49 FCR 89 |
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| Division: |  |
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| Registry: |  |
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| National Practice Area: | Intellectual Property |
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| Sub-area: | Trade Marks |
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| Number of paragraphs: | 135 |
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| Date of hearing: | 27, 28, 29 and 31 July 2020  |
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| Counsel for the Appellant: | L. Merrick |
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| Solicitor for the Appellant: | Corrs Chambers Westgarth |
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| Counsel for the Respondent: | S. Ryan |
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| Solicitor for the Respondent: | Griffith Hack |

ORDERS

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|  | VID 773 of 2019 |
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| BETWEEN: | CATERPILLAR INCAppellant |
| AND: | PUMA SERespondent |

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| order made by: | O'BRYAN J |
| DATE OF ORDER: | 27 AUGUST 2021 |

THE COURT ORDERS THAT:

1. The appeal be allowed.
2. The decision of the delegate of the Registrar of Trade Marks given on 28 June 2019 be set aside.
3. Australian trade mark application number 1803303 be refused registration.
4. The respondent pay:
	1. the appellant’s costs of this proceeding; and
	2. the appellant’s costs of the opposition proceeding before the Registrar of Trade Marks in line with the amounts in Schedule 8 of the *Trade Mark Regulations* 1995 (Cth).

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

REASONS FOR JUDGMENT

O’BRYAN J:

## Introduction

1. On 21 October 2016, the respondent (**Puma**) filed trade mark application number 1803303 under Part 4 of the *Trade Marks Act 1995* (Cth) (**Act**) for the following trade mark:



(**PROCAT mark**) in respect of the following goods:

1. in class 18: bags made of imitation leather; bags made of leather; imitation leather; leather; leather cases; trunks (luggage); travelling bags; umbrellas; parasols; walking sticks; purses; pocket wallets; key cases; carrying bags (other than disposable carrier bags); bags for sports; pouches (bags); duffel bags; rucksacks; school bags; toilet bags; and
2. in class 25: clothing; footwear; headgear for wear,

(together, the **PROCAT goods**). For convenience, the goods covered by the application (**PROCAT application**) will be referred to as clothing (or apparel), footwear, bags and accessories.

1. The PROCAT application was made without any limitation as to colour and therefore the PROCAT mark is taken to have been applied for in respect of all colours (see s 70 of the Act).
2. The appellant (**Caterpillar**) opposed the PROCAT application.
3. On 28 June 2019, a delegate of the Registrar of Trade Marks dismissed the opposition and decided, subject to the present appeal, that the PROCAT mark may proceed to registration: *Caterpillar Inc v Puma SE* [2019] ATMO 99.
4. By notice of appeal filed 19 July 2019, Caterpillar appeals against the decision of the delegate under s 56 of the Act. Caterpillar advances three grounds of opposition under the Act.
5. First, under s 44, Caterpillar contends that the PROCAT mark is deceptively similar to the following trade marks registered by Caterpillar:
6. in respect of goods in class 18, trade mark registration 567670 for the word CAT (as a part of a series mark) and trade mark registration 502760 for the following device mark:



1. in respect of goods in class 25, trade mark registrations 318732 and 1246277 for the word CAT,

(which I will refer to as the **CAT word mark** and the **CAT device mark** respectively, and the **CAT marks** collectively).

1. Second, under s 60, Caterpillar contends that the CAT marks had, before the priority date of the PROCAT application, acquired a reputation in respect of apparel, footwear, bags and accessories and, because of that reputation, the use of the PROCAT mark would be likely to deceive or cause confusion.
2. Third, under s 42(b), Caterpillar contends that the use of the PROCAT mark would be contrary to law because it would contravene ss 18 and 29(1)(g) and (h) of the Australian Consumer Law (being Schedule 2 to the *Competition and Consumer Act 2010* (Cth)).
3. The appeal involves a hearing de novo: *Registrar of Trade Marks v Woolworths Limited* (1999) 93 FCR 365 (***Woolworths***) at [32]. By reason of the presumption of registrability that is reflected in s 33 of the Act, the onus is borne by the opponent to registration: *Woolworths* at [45], [47]. In relation to the delegate’s decision, French J (with whom Tamberlin J agreed) observed in *Woolworths* (at [33]):

There is therefore no presumption in favour of the correctness of the Registrar's decision save that weight will be given to the Registrar's opinion as that of a skilled and experienced person. But the Court on appeal from the Registrar must, in determining the question of acceptance of the application, apply to it the same legal criteria that the Registrar is required to adopt. That is to say the application must be accepted unless the Court is satisfied that it has not been made in accordance with the Act or that there are grounds for rejecting it. If the matter is left in doubt, then the application should be accepted. That is consistent with the possibility, adverted to earlier, that after a contested opposition registration may eventually be refused. 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 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. In accordance with the foregoing principle, I have given weight to the delegate’s decision below, although I have ultimately come to a different conclusion based on the evidence adduced on the appeal.
2. It is common ground between the parties that the standard of proof is the balance of probabilities (see *Telstra Corp Ltd v Phone Directories Co Australia Pty Ltd* (2015) 237 FCR 388 at [133]) and the date on which the grounds of opposition must be established is the filing date of the application for registration (21 October 2016), which I will refer to as the priority date (*Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 (***Southern Cross***) at 595; *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* (2017) 251 FCR 379 at [20]-[22]).
3. The principal issues in dispute between the parties concern the degree of similarity between the PROCAT mark and the CAT marks, and the extent of the reputation in the latter marks. Caterpillar’s primary contentions are that:
4. the PROCAT goods are the same type of goods as those covered by Caterpillar’s prior registrations for the CAT marks;
5. the PROCAT goods are likely to be promoted and sold through the same retail channels as the CAT branded apparel, footwear, bags and accessories;
6. the PROCAT mark will inevitably be read, understood and pronounced in a way that conveys two distinct words, “pro” and “cat”;
7. the prefix “pro” is commonly used in the English language as an abbreviation for the word “professional”.
8. Caterpillar contends that the use of the word “pro” in conjunction with the word “cat” would convey to many consumers that goods branded with the PROCAT mark are professional or high performance goods which are made or endorsed by, or otherwise associated with, Caterpillar. As such, consumers would be caused to wonder whether there is commercial connection between PROCAT branded goods and Caterpillar.
9. For the reasons that follow, I accept Caterpillar’s primary contentions and allow the appeal.

## Overview of the evidence

1. Evidence in the proceeding was given primarily by way of affidavit with relatively confined cross-examination. No challenge was made to the credit or reliability of any of the witnesses who were cross-examined although, as discussed below, Caterpillar submitted that certain opinions expressed by Mr Neil Narriman of Puma with respect to competition between Caterpillar and Puma should not be accepted. Documentary evidence was largely exhibited to the affidavits and a small number of additional documents were tendered.

### Caterpillar’s witnesses

1. Caterpillar adduced evidence from the following witnesses.
2. Stephen Straub is employed as an Attorney in the Legal Services Division of Caterpillar. Mr Straub swore an affidavit on 12 December 2019. He became qualified as a lawyer under the laws of the District of Columbia in the United States of America in January 2008. Until March 2015, Mr Straub was employed as an Associate at an intellectual property based law firm in Washington, D.C. called Roylance, Abrams, Berdo & Goodman LLP. Mr Straub commenced with Caterpillar in March 2015. He has responsibility for a wide range of intellectual property issues that arise in relation to the day to day business of Caterpillar in many countries around the world, including Australia. Mr Straub is responsible for trade mark prosecution, enforcement, contentious litigation and portfolio management relating to trade marks and domain names. This includes responsibility for Caterpillar’s brands in the USA, Canada, Australia and New Zealand, which include the CAT word and device marks. Mr Straub gave evidence about the nature of the Caterpillar business and its history. Although Mr Straub had only been with Caterpillar for a relatively brief period, he explained that he had developed a detailed knowledge of the history of the company, the products and services it has offered over time and how it has conducted its business over time (including its interactions with licensees and dealers) from business records of the company and his interactions with Caterpillar employees in his work. Mr Straub was cross-examined.
3. Kenneth Beaupre is employed by Caterpillar as a Brand Licensing Manager. He affirmed an affidavit on 5 February 2020. Mr Beaupre gained a Bachelor of Science Degree in 1990 and was first employed by Caterpillar in 1997. In 2007, Mr Beaupre became a Retail Business Development Manager in the Caterpillar licensing business with responsibility for managing Caterpillar's global licensed merchandise business, processes and operations, including for apparel and footwear. In around December 2012, he was promoted to the position of Brand Advocacy and Licensing Manager, taking on responsibility for Caterpillar's CAT Brand Advocate program (a program focussed on raising awareness and understanding of the CAT brand amongst employees of Caterpillar and its dealers). In 2017, Mr Beaupre became the Caterpillar Brand Licensing Manager. Mr Beaupre gave evidence about the licensing business operated by Caterpillar and, in particular, the promotion and sale of CAT (and Caterpillar) branded apparel, footwear, bags and accessories in Australia. He was cross-examined.
4. Sean Gallinger is the President of SRI Apparel Limited (**SRI**), Caterpillar’s global licensee of CAT branded apparel and accessories. He swore an affidavit on 6 February 2020. SRI is a US private company which supplies private label apparel and accessories to retailers and distributors internationally. SRI has a portfolio of over 100 brands that it has managed including M&M, Harley Davidson, Indian Motorcycle, Disney, Nickelodeon, Marvel, Dominos Pizza, K2, Columbia, UPS and Russel Athletic. Caterpillar's CAT branded apparel and accessory goods are one of SRI's key brands. SRI sells private label apparel and accessories to retailers and distributers located in more than 100 countries, including Australia. Mr Gallinger co-founded SRI in 2000. From 2000 to 2006, he was the Global Supply Chain Manager for all apparel sold by SRI. In 2006, he became the President of SRI. As President, his responsibilities include oversight of product development, sales, marketing and management of the supply chain of goods that SRI sells to distributors worldwide, including in Australia. Since in or around 2006, SRI has been Caterpillar's global apparel and accessories licensee, selling apparel and accessories under or by reference to Caterpillar’s brands, including the CAT marks, to distributors across the globe, including in Australia. Mr Gallinger gave evidence about the promotion and sale of CAT branded apparel and accessories in Australia. He was cross-examined.
5. Onder Ors is the Senior Vice President of Sourcing of Wolverine World Wide Inc. (**Wolverine**), Caterpillar’s global licensee of CAT branded footwear. He swore an affidavit on 10 February 2020. Wolverine is a global marketer of, among other things, branded footwear. It has a portfolio of footwear brands that it owns (such as Wolverine, Hush Puppies, Saucony, Sperry and Chaco) and other brands that it licenses, including CAT branded footwear. Wolverine has held a licence to sell footwear under the CAT (and Caterpillar) marks since about 1994. In Australia, Wolverine sells its products to local Australian distributors, which in turn sell the products to Australian retailers. Mr Ors originally joined Wolverine in 1997 in the role of Marketing Manager. Since that time, he has held many positions within the organisation. From January 2011 to December 2012, he was the Managing Director of Wolverine for Europe, Middle East and Africa. At that time, the CAT branded footwear became part of his direct responsibilities. From January 2013 to July 2018, Mr Ors was the President of the division of Wolverine responsible for CAT footwear. In that position, he had global responsibility for that business, including for the Australian territory. Mr Ors gave evidence about the promotion and sale of CAT (and Caterpillar) branded footwear in Australia. He was cross-examined.
6. Duncan St Baker is employed by Accent Group Ltd (**Accent**) as the Brand Manager for CAT footwear and apparel. He swore an affidavit on 10 February 2020 and a second affidavit on 5 June 2020. Until 2011, Mr St Baker held a number of roles within Pacific Brands and NNT Uniforms including, from June 2005, as Product Manager for the King Gee brand (which later became part of the Pacific Brands Workwear Group). In June 2010, he became the Sponsorship and Digital Marketing Manager for Pacific Brands Workwear Group. In 2010 and 2011, the Workwear Group managed a range of brands including King Gee, Hard Yakka, Stubbies and the CAT brand (in respect of workwear and lifestyle footwear). In November 2011, Mr St Baker moved to RCG Brands Limited (**RCG**) to take on the role as the New South Wales State Manager for that company's CAT footwear and apparel group. Although Mr St Baker’s title was NSW State Manager, he was responsible in part for sales of CAT footwear and apparel nationally. By that time, RCG had taken over as the Australian and New Zealand distributor for CAT footwear and apparel. Subsequently, Mr St Baker was promoted to Brand Manager of the CAT footwear and apparel group for RCG. In or about 2016, RCG bought the business of Accent and started to trade as Accent Group Limited, and Mr St Baker continued in the same role. At Accent, Mr St Baker is responsible for managing the sale of CAT footwear and CAT apparel to retailers and Caterpillar dealers in Australia. Mr St Baker gave evidence about the distribution and sale of CAT (and Caterpillar) branded footwear, apparel and accessories and bags in Australia. He also gave evidence about Caterpillar’s competitors in the Australian apparel and footwear markets. He was cross-examined.
7. Melissa Chuong is a lawyer employed by Corrs Chambers Westgarth, Caterpillar’s Australian lawyers. She swore an affidavit on 10 February 2020 and a second affidavit on 4 June 2020. Ms Chuong gave evidence about purchases of CAT and Puma branded shoes that she made on‑line and of visits she conducted to retail stores. Ms Chuong was not cross-examined.
8. There was no material challenge to the evidence of Caterpillar’s witnesses and I accept their evidence.

### Puma’s witnesses

1. Neil Narriman is employed by Puma as the Global Head of Intellectual Property. He affirmed an affidavit on 7 May 2020. Mr Narriman is a qualified lawyer under the laws of Germany. He has been employed by Puma since January 2006. Between 2006 and 2011 he held the position of Senior Brand Protection Manager. In January 2012 he was promoted to his current role and has responsibility for the protection and enforcement of Puma’s intellectual property worldwide, including in Australia. In addition to his role with Puma, in December 2019 Mr Narriman was elected as President of the Federation of the European Sporting Goods Industry, which represents the interests of the sporting goods industry in Europe. Mr Narriman gave evidence about the Puma business and its application to register the PROCAT mark. Mr Narriman also gave some brief oral evidence in chief and was cross-examined.
2. Michael Cassidy is a lawyer employed by Watermark Intellectual Property Lawyers Pty Ltd, Puma’s Australian lawyers. Mr Cassidy affirmed an affidavit on 13 May 2020. He gave evidence about visits to on-line retail stores and was not cross-examined.
3. Save in respect of one matter, there was no material challenge to the evidence of Puma’s witnesses and I accept their evidence. As discussed below, I do not consider that Mr Narriman was qualified to express an opinion about competition between Caterpillar and Puma in the Australian market for apparel, footwear, bags and accessories and I do not accept his evidence on that topic.

## Puma’s business and the PROCAT application

1. Puma is a global sportswear company headquartered in Germany. Puma designs and manufactures athletic and casual footwear, apparel and accessories, and distributes its products to over 120 countries
2. Puma's predecessor in business, the company Gebrueder Dassler Schuhfabrik (or, Dasslers Brothers Shoe Factory) was founded by brothers Rudolf and Adolf Dassler in Herzogenaurach, Germany in 1924. The company designed and manufactured sports shoes under the name and trade mark 'Dassler'. Dassler shoes grew to particular prominence in 1936 when they were showcased at the Berlin Olympic Games. American Jesse Owens won four gold medals wearing Dassler shoes. In total, seven gold and five bronze medals were won by athletes wearing Dassler shoes.
3. When the brothers went their separate ways in 1948, Rudolph adopted the mark PUMA and in January 1949 registered his new company, the ‘Puma Schufabrik Rudolf Dassler’. Puma now has offices, subsidiaries, licensees and an extensive distribution network in more than 80 countries throughout the world, including in Australia, and employs more than 14,700 people worldwide.
4. Puma first sold footwear in Australia in 1957, followed by bags and sports accessories in 1966 and apparel in 1968. In Australia, it sells its products through its own retail stores (there are currently 19 stores) and through third-party retailers such as Rebel Sport and Platypus Shoes. There is also an online presence through Puma’s own website and the retailers’ websites.
5. Puma owns a number of well-known trade marks. The original logo used by Puma featured a puma cat leaping through a capital D, which stood for Dassler, denoting the brand's founder Rudolf Dassler. The logo was updated in 1957 with the addition of the word PUMA underneath the cat leaping through a capital D. In 1968, Puma developed a new leaping cat logo as shown below (**leaping cat device**):



1. In the mid-1970s, Puma settled on a logo which comprised uppercase script for the word Puma, and the leaping cat device over the upper right hand corner of the text as shown below (**Puma and leaping cat device**):



1. Puma has also used what is referred to as the Formstrip device since 1958, which is shown below:



1. Mr Narriman gave evidence about the registrations for each of the above marks, but it is unnecessary to refer to that evidence.
2. Mr Narriman also gave evidence that Puma's business has traditionally been based around athletic and sports footwear and apparel, and sports accessories. Over time, however, Puma has expanded its range of products particularly to casual fashion and lifestyle products. Puma's casual range of products is sports-inspired, and is often referred to as “sportstyle” or “athleisure”. Puma has also built on its brand and product awareness in the sports and lifestyle segments by implementing a licensing strategy. This strategy enables Puma to develop products in areas that are outside of the products described above through partnering with specialised suppliers. Some of Puma's licensees include PUMA watches by Fossil, PUMA eyewear by Kering eyewear and PUMA cosmetics by Maybelline. For around 10 years, ISM has developed, manufactured and distributed a range of safety shoes under licence from Puma. ISM is an established German manufacturer and distributor of safety shoes, and ISM distributes Puma safety shoes in over 35 countries, including Australia.
3. Mr Narriman gave evidence that co-branding arrangements between Puma and other companies have been a commercially important part of Puma’s business and that such co‑branding arrangements have increased over recent years. Under those arrangements, Puma’s products are co-branded with other brands across a range of industries, including:
4. motorsport (with Ferrari);
5. fashion (with Rihanna, Colette, ALIFE, Bape, Kith, Alexander McQueen, Stampd, Swash, ICNY, Carreaux, Trapstar, Staple, XO, Daily Paper, TinyCottons); and
6. entertainment (with Warner Bros, Sesame Street, Justice League).
7. As noted earlier, Puma filed an Australian trade mark application for the PROCAT mark on 21 October 2016. Mr Narriman gave evidence that Puma has not used the PROCAT mark in Australia either before the priority date or at any time since.
8. No evidence was given on behalf of Puma in relation to the creation of that mark, its meaning or marketing objective or its intended pronunciation. That is not a point of criticism. Ultimately, in assessing the question of deceptive similarity under the Act, it is necessary to consider how a consumer would read, comprehend and pronounce the mark, and that must be determined on an objective basis.
9. While the letters “procat” create an invented word, it is an obvious feature of the mark that it incorporates the word “cat” and an additional word “pro”. The intended meaning of the word “pro”, as used in the mark, is not clear, but the word in English has a number of meanings including:
10. either an abbreviation for (when used as a noun) or meaning (when used as an adjective) the word “professional”;
11. its original Latin meaning being “for” (the opposite of against) as in favourable or positive, such as in the phrases “pros and cons” or “pro-Australia”.
12. The evidence showed that Puma has offered for sale in Australia sporting shoes containing features that had a name that included the letters “pro”. For example, the “Clyde Hardwood Retro Fantasy Basketball Shoes” were promoted by Puma with the description that they were “Stacked with PUMA Hoops tech, like ProFoam for insane energy return” and with features and benefits that included “Full length ProFoam midsole, PUMA’s proprietary high rebound EVA for lightweight rebound & energy return”. The “Speed Racer Men’s Running Shoes” were promoted with the description that:

A PROFOAM high-rebound EVA midsole adds additional cushioning and responsiveness while a PROPATE forefoot helps to generate more speed through the toe-off phase. This bold combination of the fastest performance and fastest style is built to perform, helping any athlete to feel light and fast on their feet.

1. In cross-examination, Mr Narriman refused to accept that the above descriptions of the features named with the prefix “pro” related to the performance of the product. I inferred from Mr Narriman’s reticence that he may be concerned that the claims made in the descriptions were “promotional” language and may not be true. Whether true or not, the claims undoubtedly related to the performance of the products.
2. While Puma has not used the PROCAT mark in Australia, Mr Narriman confirmed that Puma has used the mark on products in the USA and Canada. Evidence was given depicting football (soccer) boots, casual bags (described as “duffel bags”) and a lightweight backpack described as a “carry sack” bearing the PROCAT mark offered for sale online in the USA and Canada respectively. The PROCAT mark was used on each of those products in lower case lettering and with the letters “pro” and the letters “cat” having different shades or colours, as illustrated below in respect of the football boots offered for sale in the USA:

 

1. The marketing description of the above football boots in the online website referred to the brand as “ProCat” (with upper case “p” and “c”).
2. Puma objected to the admissibility of the above evidence concerning the use of the PROCAT mark by Puma in the USA and Canada on the grounds of relevance and unfair prejudice. I overruled the objection. Caterpillar submitted that the evidence was relevant as illustrating what would be considered the fair and normal use of the mark, which is relevant to the assessment of deceptive similarity under s 44 of the Act and the likelihood of deception or confusion under s 60 of the Act. I accepted that submission. In my view, the above uses of the PROCAT mark are within the parameters of the fair and normal use of the mark such that, if the mark were registered, the statutory rights would extend to such use. While the PROCAT mark has been applied for in Australia as a “fancy” mark in lower case lettering and sans-serif font (as depicted in paragraph 1 above), the Act contemplates that the owner of a registered mark may use the mark with alterations which do not substantially affect the identity of the trade mark (see, for example, s 7(1)). In my view, the use of the PROCAT mark in Australia in the same manner as in the USA and Canada (as shown in the evidence), whereby the letters “pro” and “cat” have different shades or colours or the word is depicted as a single word but with a capital “p” and a capital “c”, would constitute a use with alterations which do not substantially affect the identity of the trade mark. As to unfair prejudice, Puma submitted that it is prejudiced by the receipt of the evidence because the Court has not received evidence concerning the USA and Canadian trade mark registrations or the legal or market context in which the PROCAT mark is used in those countries. I rejected that submission for two reasons. First, it was within Puma’s power to adduce such evidence if it chose. Second, such evidence would not bear upon the relevance of the evidence that was adduced which was merely to illustrate the potential fair and normal use of the mark.

## The Caterpillar business and its reputation in the CAT marks

### Caterpillar’s heavy equipment business

1. Caterpillar is a heavy equipment manufacturing company. It is the world's largest manufacturer of heavy equipment sold to a variety of industries including the construction, mining, and energy and transportation sectors.
2. Caterpillar's predecessor in business, known as The Holt Manufacturing Company, was founded by Benjamin Holt in the USA in 1892. From around 1890, Benjamin Holt experimented with various forms of steam tractors for use in farming in the USA. In or around 1904, Benjamin Holt replaced tractor wheels on the tractors he was producing with wooden tracks bolted to chains. The CATERPILLAR trade mark was created at about that time and adopted by Benjamin Holt to mark this innovation. In 1925, Holt merged with C L Best Tractor Co and formed a business called Caterpillar Tractor Co. Caterpillar continued to use that corporate name until 1986, when it adopted its current corporate name, Caterpillar Inc. Caterpillar is listed on the New York Stock Exchange and is a Fortune 100 company (the 'Fortune 100' is an annual list compiled and published by Fortune magazine that ranks 100 of the largest United States corporations by total annual revenue). As at the priority date, Caterpillar had customers in over 180 countries and had over 95,400 full-time employees worldwide, around 22,800 of which were employed in the Asia-Pacific region (including in Australia).
3. Caterpillar heavy machinery has been available in Australia since the early 20th century. Since the 1920s, Caterpillar’s heavy machinery has been available in Australia through Caterpillar dealerships. Caterpillar opened its first Australian office in 1955 and its first Australian manufacturing plant was opened in 1956 in Melbourne. For many years prior to the priority date, Caterpillar’s Australian dealers for heavy equipment were WesTrac CAT (NSW, WA and the ACT), Cavpower CAT (SA and Broken Hill), Hastings Deering (Qld and NT) and Williams Adams CAT (Vic and Tas).
4. As at the priority date, Caterpillar (or members of its corporate group) manufactured, promoted, offered for sale and sold more than 300 different types of vehicles, machinery and equipment, including (listed alphabetically) articulated trucks, asphalt pavers, compact track and multi terrain loaders, compactors, excavators, forest machines, harvesters, hydraulic excavators and mining shovels, loaders, track-type tractors and wheel dozers. In the seven years leading up to the priority date, Caterpillar’s total worldwide annual sales revenue was in the tens of billions of dollars. As at the priority date, Caterpillar had customers in more than 180 countries and almost 100,000 employees around the world.

### Registration of CATERPILLAR and CAT trade marks

1. From about 1909, the CATERPILLAR trade mark has been applied by Caterpillar and its predecessors in business to heavy equipment, vehicles and machinery that they have manufactured and sold. The “Caterpillar” name also became the company’s name in 1925 (first as Caterpillar Tractor Co. and subsequently as Caterpillar Inc). Benjamin Holt applied to register the CATERPILLAR trade mark in the USA on 18 November 1910. The CATERPILLAR trade mark was first registered in Australia by Caterpillar's predecessor, Holt Manufacturing, on 13 April 1911 in class 7 in respect of "Machinery; Agricultural and horticultural machinery, and parts of such machinery” (registration number 10993).
2. Caterpillar started using the CAT word mark on its heavy equipment, vehicles and machinery in the 1940s. The first registration for the CAT word mark was filed with the United States Patent and Trademark Office (**USPTO**) on 10 March 1949, based on a first use of the mark in commerce in the USA in class 12 from December 1948 and in class 7 from February 1949. The mark was registered on 23 September 1952. The CAT word mark was first registered in Australia in class 7 on 14 April 1949 (registration number 98534). The CAT device mark was first registered in Australia in class 7 on 10 January 1989 (registration number 502749).
3. From the 1970s, Caterpillar began using the CATERPILLAR and CAT trade marks in connection with a range of goods in classes 18 and 25 in the USA and elsewhere, including Australia. On 29 September 1982, Caterpillar applied to register the CATERPILLAR word mark in the USA in respect of goods in class 18 including briefcases, garment bags for travel, duffel bags, flight bags and tote bags, with the trade mark being registered on 5 June 1984. The statement of use notes that the application was based on use in commerce from January 1970. Also on 29 September 1982 Caterpillar also applied to register the CAT word mark in respect of goods in class 18 including briefcases, garment bags for travel, duffel bags, flight bags and tote bags and in respect of goods in class 25 including workwear, sports, casual, belts, ties, scarfs, headwear, shirts, shorts, vests, gloves and socks, with the trade mark being registered 2 October 1984. Again, the statement of use notes that the application for all of the above goods was based on use in commerce in the USA from January 1970.
4. In Australia, the CATERPILLAR word mark was registered on 1 June 1978 in class 25 for "Caps, hats, dust coats, overalls, aprons, gloves included in Class 25, jackets, boots, shoes, ear muffs, spats, scarves, jumpers, t-shirts, and all other goods in this class" (registration number 318731). The CATERPILLAR device mark was registered on 10 January 1989 in class 18 in respect of "Leather and imitation leather goods namely, wallets, credit card cases, business card cases, key holders, coin holders, briefcases, garment bags for travel, duffle bags, flight bags and tote bags, umbrellas, travelling bags, purses" (registration number 502782) and in class 25 in respect of "Work, sport and casual clothing namely, caps, belts, ties, scarves, headwear, T‑shirts, shorts, sweat pants, sweat shirts, wrist bands, jackets, vests, gloves, mittens, rain wear, one-piece jump suits and socks, footwear; all other goods in this class" (registration number 502784). The CATERPILLAR device mark has the first 3 letters of the mark, CAT, rendered in the same manner as the CAT device mark, as shown below:



1. Caterpillar's CAT word mark was first registered in respect of goods in class 25 in Australia on 1 June 1978 for "Caps; hats; dust coats; overalls; aprons; gloves in this class; jackets; boots; shoes; ear muffs; spats; scarves; jumpers; T-shirts; and all other goods, excluding ladies' sportswear of all kinds and women's and girls' hosiery, in this Class" (registration number 318732). Caterpillar's CAT device mark was registered in Australia on 10 January 1989 in class 18 for "Leather and imitation leather goods namely: briefcases, garment bags for travel, duffle bags, flight bags, tote bags, umbrellas, travelling bags" (registration number 502760) and in class 25 for "Caps; hats; dust coats; overalls; aprons; gloves in this class; jackets; boots; shoes; ear muffs; spats; scarves; jumpers; T-shirts; and all other goods, excluding ladies' sportswear of all kinds and women's and girls' hosiery, in this class" (registration number 502762).
2. As at the priority date, Caterpillar was the owner of over 50 Australian trade mark registrations for the CAT word or device marks. In respect of its opposition under s 44, Caterpillar relies on the following four trade mark registrations:

|  |  |  |  |
| --- | --- | --- | --- |
| **Registration No.** | **Mark** | **Priority Date** | **Specification** |
| 318732 | CAT | 1 June 1978 | Cl 25: Caps; hats; dust coats; overalls; aprons; gloves in this class; jackets; boots; shoes; ear muffs; spats; scarves; jumpers; T-shirts; and all other goods, excluding ladies' sportswear of all kinds and women's and girls' hosiery, in this Class. |
| 1246277 | CAT | 13 June 2008 | Cl 25: Clothing, footwear and headgear. |
| 502760 |  | 10 January 1989 | Cl 18: Leather and imitation leather goods namely: briefcases, garment bags for travel, duffle bags, flight bags, tote bags, umbrellas, travelling bags. |
| 567670 |  | 10 January 1989 | Cl 18: Leather and imitation leather goods namely, wallets, credit card cases, business card cases, key holders, coin holders, briefcases, garment bags for travel, duffle bags, flight bags and tote bags, umbrellas, travelling bags, purses.  |

1. Mr Straub gave unchallenged evidence that the CAT mark has become Caterpillar’s dominant brand. In cross-examination, Mr Straub agreed that the CAT device mark is the dominant Caterpillar brand.

### Caterpillar’s licensing business

1. As noted above, Caterpillar commenced using its CATERPILLAR and CAT marks on apparel, hats and bags in the USA from the early 1970s. At this time, apparel bearing the CATERPILLAR or CAT marks was primarily distributed by Caterpillar, and its heavy equipment dealers, as promotional items.
2. In the 1980s, Caterpillar established a commercial licensing business to enable the licensed use of the CATERPILLAR and CAT marks on a wider range of soft goods. While the licensing business was initially directed primarily at the licensed use of Caterpillar's trade marks on apparel for the workwear industry, in the late 1980s Caterpillar extended its licensing business to the footwear market. Since that time, Caterpillar has continued to expand its range of licensed goods bearing the CATERPILLAR and/or CAT brands, as follows:
3. from the early 1990s, to toys and children's products;
4. from the mid 1990s, to casual footwear and apparel referred to as the "Lifestyle" range;
5. from about 2012, to technology and technological accessories, including phones, tablets, covers for technological products, chargers and earphones; and
6. from about 2012, to home decor, battery chargers, power inverters, jump starters, industrial tools and industrial fans.
7. Caterpillar's licensed CATERPILLAR and CAT branded apparel, footwear and accessories are currently sold in about 150 countries, including in Australia. In 2014, nearly 50 million CAT branded goods were sold globally, generating retail sales of approximately AU$2.1 billion worldwide.
8. Under the Caterpillar licensing program, Caterpillar does not manufacture the CAT branded goods. Instead, Caterpillar's licensees are responsible for arranging the manufacture, distribution and sale of CAT branded goods to their respective distributors around the world. Each distributor is then responsible for the distribution and sale of the CAT branded goods in its own territory. The Caterpillar licensing program covers CAT branded goods for purchase, as well as promotional products. As part of the licensing program, Caterpillar manufacturers, licensees and distributors must comply with Caterpillar's quality control measures concerning both product standards and trade mark style guides, which are referred to internally as "style guides". Caterpillar has had such style guides in place since 1989. They contain rules about how the CAT marks can be used, including in relation to typography, positioning and colour combinations. The style guides contain information that is confidential to Caterpillar, and it is unnecessary to reveal specific requirements relating to the use of the CAT word and device marks. Nevertheless, it is relevant to note that the style guides address the manner in which each of the CAT word and device marks should be used by licensees, and it can be observed that licensees have greater freedom with respect to the depiction of the word mark.
9. As at the priority date, CAT branded "soft goods" such as apparel, footwear and bags were sold in Australia by Caterpillar’s authorised dealers (which supply Caterpillar’s heavy equipment, vehicles and machinery) as well as by apparel and footwear retailers supplied by Caterpillar’s licensees. The licensees responsible for the distribution of CAT branded soft goods to Caterpillar’s heavy equipment dealers across Australia are Stateside Distributors Pty Ltd and Leagues Pty Ltd. The licensees responsible for the distribution of CAT branded soft goods to retailers in Australia included Wolverine, SRI and Grown Up Licenses (**Grown Up**).
10. Since 1984, Wolverine has been Caterpillar's Australian (and global) footwear licensee. The footwear range sold as at the priority date by Wolverine to its Australian distributors for on‑sale to retailers includes workwear shoes such as work boots and lifestyle shoes, such as sneakers, casual shoes and “athleisure” shoes. Mr Ors gave evidence that the Australian sales of footwear intended for work have, since Wolverine started selling such footwear, represented a good portion of the business. In the 1990s, the casual footwear market experienced a shift towards industrial-looking footwear, albeit without the safety features of professional footwear (such as not incorporating a steel toe cap). This trend was particularly evident among the so-called “grunge movement” during the mid-1990s. These fashion trends contributed to the creation and expansion of the lifestyle CAT footwear line, which has significantly grown over the last 20 or so years and which, at the priority date, represented an important part of the CAT branded footwear business in Australia.
11. Since 2006, SRI has been Caterpillar's Australian (and global) apparel and accessories licensee. As a licensee, SRI is responsible for providing CATERPILLAR and CAT branded apparel and accessories to distributors in Australia, which then sell the products to retailers. Mr Gallinger of SRI gave evidence that the CAT branded apparel sold by SRI under licence from Caterpillar includes short sleeve t-shirts, long sleeve t-shirts, short sleeve woven shirts, long sleeve woven shirts, sweatshirts, insulated vests, uninsulated vests, rain jackets, rain pants, insulated jackets, uninsulated jackets, parkas, bibs, jeans, denim bottoms, woven bottoms, workpants, work short, woven shorts, knit shorts, knit pants and coveralls. The CAT branded accessories include belts, socks, caps, hats, beanies and underwear. Since 2010, Grown Up has been Caterpillar's Australian (and global) bags and accessories licensee, distributing licensed bags and accessories in Australia.
12. Various distributors have distributed CAT branded goods (produced under licence) to retailers in Australia over time. Since 2011 and as at the priority date, the CAT branded goods (produced under licence by Wolverine and SRI) have been distributed to retailers in Australia by RCG and its successor business Accent. Mr St Baker of Accent gave evidence that, when he joined RCG in 2011, RCG operated approximately 150 Athlete's Foot retail stores across Australia, a number of Merrell brand retail stores and approximately 10 Shoe Superstore retail stores in Melbourne and Sydney. At that time, most of the Athlete's Foot retail stores were selling CAT footwear, including CAT branded athletic, comfort, lifestyle and workwear footwear. Amongst this range of CAT branded footwear were a number of products that Accent calls "athleisure" or "active footwear". Athlete's Foot and Shoe Superstore, until it closed in about 2015, also sold other branded footwear including Puma footwear. Mr St Baker also gave evidence that Accent is an Australian publicly listed company that operates in retail and distribution of lifestyle, workwear and performance (sports) apparel and footwear. As at the priority date, Accent distributed a number of brands including Skechers, Merrell, CAT, Vans, Dr Martens, Saucony, Timberland, Sperry, Palladium, and Stance. At the priority date, Accent operated around 300 of its own retail stores across Australia, and also provided goods to over 1,000 third-party retail store accounts across Australia in respect of its full range of brands.
13. CAT branded goods have been available from approximately 1,000 retailers across Australia. Retailers have included Myer, David Jones, The Iconic, Mitre 10, Masters, Rays Outdoors, Totally Workwear, RSEA, The Athlete's Foot and Roadhouse, at various locations across all states and territories of Australia. In addition, CAT branded goods have been available for purchase in Australia through the following websites (**CAT retail websites**):
14. www.catworkwear.com.au, since 2016;
15. www.catapparel.com, since November 2002;
16. www.catfootwear.com;
17. www.catworkwear.com, since 2015; and
18. www.catapparel.com.au, since 2015.
19. Caterpillar owns the domain names for each of the CAT retail websites, but allows licensees to manage the websites.
20. Mr St Baker of Accent gave more detailed evidence concerning the range of Australian retail stores in which CAT branded footwear was sold as at the priority date, which comprised some 650 “doors” (being an individual store). CAT branded footwear was also available from online retailers The Iconic (www.theiconic.com.au) and Workwear Hub (www.workwearhub.com.au).

### Marketing and sales of CAT branded goods in Australia

1. In support of its contention that the CAT marks had a substantial and valuable reputation in Australia as at the priority date in relation to apparel, footwear, bags and accessories, Caterpillar adduced evidence concerning the value of sales of CAT branded goods in Australia in the years preceding the priority date and marketing activity undertaken in Australia.
2. Mr Beaupre gave evidence that Caterpillar maintains records of wholesale sales of its licensed products in a system called brandcomply.com. The system contains (among other things) wholesale sales data as reported to Caterpillar by its licensees. Mr Beaupre extracted confidential wholesale sales data in respect of sales of CAT and CATERPILLAR branded apparel and bags by SRI in 2015 and 2016 and Grown Up in 2013 to 2016. It is unnecessary for the purposes of this proceeding to reveal the confidential figures. Making allowances for the fact that the data concerned wholesale sales (and not retail sales), I would describe the value of sales by SRI as substantial, but the value of sales by Grown Up as modest. Mr Gallinger of SRI gave evidence that, since 2012, SRI has sold more than 1.3 million units of CAT branded apparel into Australia.
3. Mr Ors extracted from Wolverine's financial data recording systems confidential evidence of the number of pairs of CAT branded footwear that Wolverine has sold to its Australian distributors for the period from 2001 to 2016. Again, it is unnecessary for the purposes of this proceeding to reveal the confidential figures. I would describe the number of sales as very substantial. Mr St Baker gave evidence that, between FY2011 and FY2017, Accent sold over 300,000 pairs of CAT branded footwear to its customers in Australia, approximately one third of which were CAT lifestyle footwear, having a wholesale sales value of more than $25 million. In the same period, Accent sold over 800,000 items of CAT branded apparel to its customers in Australia, with the majority of sales relating to CAT workwear apparel, having a wholesale sales value of more than $20 million.
4. Since at least 2016, Caterpillar has displayed the CAT marks at the top of each page of the CAT retail websites as well as the website www.shopcaterpillar.com. Mr Beaupre gave confidential evidence, derived from Google analytics data, of the number of visits to the www.shopcaterpillar.com website by Australians in the years 2014 to 2016. I would describe the number as substantial.
5. As at the priority date, Caterpillar operated social media accounts on YouTube, Facebook, LinkedIn, Twitter and Instagram. It displayed the CAT marks at the top of each page of those social media accounts. Mr Beaupre also gave evidence as to the number of followers or subscribers to those accounts as at the priority date, which were substantial, although the evidence did not identify the subset of Australian followers or subscribers. The evidence included many screen shots of pages from Caterpillar’s social media accounts. Those pages included extensive use of both the CAT word and device marks.
6. In relation to marketing material used to support the sale of CAT branded apparel and accessories, Mr Gallinger gave evidence that SRI prepares marketing materials for CAT branded apparel and accessories that can be used by its distributors. The marketing material includes seasonal apparel catalogues, seasonal belt, socks and underwear catalogues, visual merchandising retail guides, in-store advertising, out-of-home advertising (meaning advertising that reaches consumers while they are outside of their homes), on-line advertising, social media content, product photography, on-body images, campaign photography, product videos, campaign videos, promotional guides and CAT brand style guides. Mr Gallinger explained that, as Australia also has some unique products designed specifically for its apparel and accessories market, SRI develops specific advertising and marketing to support the sale of those products by distributors and Caterpillar dealers.
7. Similarly, in relation to marketing material used to support the sale of CAT branded footwear, Mr Ors gave evidence that, when launching a new season, Wolverine prepares catalogues of the new CAT footwear for its global distributors, which are called "Buyer's Guides". The Buyer’s Guides also show the point of sale marketing material available for retail stores which contain the CAT marks.
8. Mr St Baker gave evidence that the majority of marketing and advertising content used in Australia for CAT branded products is generated and designed by Accent. The promotional strategies employed by Accent as at the priority date to promote CAT apparel, footwear and accessories included:
9. print advertising, such as through catalogues, magazines and point of sale materials;
10. television commercials and billboards;
11. digital marketing;
12. co-operative advertising and collaborations; and
13. promotion at trade shows and expos.
14. Since 2011, Accent's expenditure on marketing and advertising activities for the CAT brand has been in the hundreds of thousands of dollars annually.

### Caterpillar’s reputation in the CAT marks in Australia

1. I am satisfied on the evidence that, as at the priority date, Caterpillar had a substantial and valuable reputation in Australia in each of the CAT marks in relation to apparel, footwear, bags and accessories. The reputation spans both the lifestyle (everyday items directed at consumers at large) and workwear (hardwearing items commonly worn by trades) segments of the market.
2. It can be accepted, as submitted by Puma, that Caterpillar’s reputation in the CAT marks is associated with, and draws upon, Caterpillar’s business history of manufacturing heavy equipment. That association is conveyed in marketing material for Caterpillar’s licensed goods, which frequently contains imagery of tractors and other heavy equipment and uses marketing tags such as “Apparel inspired by the history and legacy of Caterpillar”. A catalogue produced by Accent in respect of CAT branded lifestyle footwear contains the marketing tag “Forged by Work, driven by Life” and the marketing claim that:

“CAT Footwear is built on honest heritage, in an ethic of work and the challenge of real life without apology. Cat equipment drives the shape of the world’s skyline; the spirit of Cat Footwear exerts the same influence on the footwear market, actively sculpting the landscape.”

1. Mr St Baker gave evidence that “… CAT is a powerful brand and the strength of that brand is by leveraging the heritage that that brand carries. So that’s one of the strengths of the brand, and it’s definitely something that is used to promote it and its products”. However, Mr St Baker also expressed the opinion that the CAT branded lifestyle goods were less associated with the industrial side of the brand. Mr Gallinger described the image of the CAT brand as “an Americana work-inspired work-lifestyle brand”. I accept that evidence.
2. Puma submitted that Caterpillar’s licensed footwear and apparel invariably bears the CAT device mark, frequently bears the CATERPILLAR mark, but rarely bears the CAT word mark. The submission overstates what is shown by the evidence. It may be accepted that the evidence shows far more frequent use of the CAT device mark as a brand affixed to licensed goods in comparison to the CAT word mark. Nevertheless, Mr Ors gave evidence that Wolverine had produced shoes with the CAT word mark affixed as a brand and the evidence depicted considerable use of the CAT word mark (usually rendered as “Cat”) affixed to footwear and also on socks.
3. Puma’s further submission was that the evidence does not support a conclusion that the CAT word mark enjoys the same reputation in Australia as the CAT device mark or the CATERPILLAR marks. I do not accept that submission. In my view, the evidence supports a conclusion that there is no material difference in the extent of reputation associated with the CAT device and word marks. That is for three reasons. First, the word “cat” is one of only two components of the CAT device mark (the second being the triangle under the letter “a”). In my view, the word “cat” is at least equally significant, and possibly more significant, as a memorable branding element as the triangle in recognising the CAT device mark. Further, the CAT device mark would always be referred to verbally by reference to the word “cat”. As a consequence, the reputation that arises from the use of the CAT device mark will inevitably flow across to the CAT word mark. Second, while the evidence shows that the CAT word mark is less commonly affixed to licensed goods as a brand, it is commonly used in associated promotional material including on packaging, online product descriptions and in social media. In that way, the CAT word mark has received substantial commercial promotion. The Caterpillar “style guides” relating to the use of the trade marks are equally concerned with the use of the word mark as with the device mark, albeit that the evidence indicated that greater flexibility was given to licensees with respect to the use of the word mark. In that regard I note that, while the CAT device mark is usually depicted in upper case lettering, the CAT word mark is also used with a capital “c” and lower case “a” and “t”. Third, both the CAT device mark and the CAT word mark are usually promoted in association with the Caterpillar corporate name and mark, establishing a clear association between the CAT marks and the Caterpillar company (including its history as a manufacturer of heavy equipment). Having regard to the evidence adduced by Caterpillar, I am satisfied that both the CAT device mark and the CAT word mark (whether depicted as “CAT” or “Cat”) enjoy a substantial and valuable reputation in Australia in relation to apparel, footwear, bags and accessories.
4. Puma submitted that Caterpillar’s licensed goods are a very small part of the Caterpillar business, referring to evidence showing that Caterpillar’s worldwide retail sales of licensed goods amounted to approximately AU$2.1 billion in 2014, whereas Caterpillar’s total worldwide sales and revenue in 2014 was US$55.2 billion. The submission can be accepted, but it does not undermine the conclusion that Caterpillar had a substantial reputation in Australia in the CAT marks in relation to apparel, footwear, bags and accessories as at the priority date.
5. Puma also submitted that the evidence shows that, as at the priority date, the majority of CAT branded soft goods sold in Australia were workwear goods rather than lifestyle goods. Mr St Baker agreed in cross-examination that, as at the priority date, Caterpillar’s licensing business was predominantly a workwear business. Puma further submitted that industrial apparel and footwear adapted for protection against accident or injury is classified in class 9 of the Nice Classification. Puma has not applied to register the PROCAT mark in class 9, and Caterpillar does not rely on any class 9 registrations in opposition. On that basis, Puma argued that Caterpillar’s use of the CAT marks on safety or protective footwear and apparel is not relevant to the enquiry under s 44(1), although Puma accepts that such use may contribute to reputation of Caterpillar’s marks for the purpose of s 60. I do not accept that argument. The evidence shows that the CAT marks have been applied to industrial work boots that meet relevant safety standards (such as having steel toe caps) and boots with an almost identical appearance but without safety features which are sold as lifestyle products. As noted above, Mr Ors gave evidence that, in the 1990s, the casual footwear market experienced a shift towards industrial‑looking footwear (but without the safety features). Mr St Baker gave evidence about specific CAT branded boots sold in Ray’s Outdoors which came in two versions: one with safety features and the other without. Product catalogues in evidence marketed such CAT branded lifestyle boots. I accept Caterpillar’s submission that the evidence shows that work boot style shoes have become a part of the range of lifestyle products supplied by Caterpillar and that workwear and lifestyle products have converged so that products from the categories cross-over. I also accept Caterpillar’s submission that, while there may be overlap between safety wear (which may fall within class 9) and workwear, not all workwear would be classified within class 9. In my view, the use of the PROCAT mark on work boots would fall within the ambit of normal and fair use of the mark in respect of goods in class 25.
6. Puma also submitted, and I accept, that as at the priority date, the Caterpillar Licence Merchandise Logo, shown below, appeared on almost all of Caterpillar’s licensed apparel, footwear and accessories:



1. Mr Straub and Mr Beaupre gave evidence that the primary purpose of the Caterpillar Licence Merchandise Logo is to show customers that the goods are authentic CAT branded merchandise. Mr Beaupre agreed that the inclusion of the Caterpillar Inc. corporate name in the Logo is to emphasise the link between the licensed goods and the heavy equipment company, adding that “… it clearly links to the company name, as well as addresses our customers who sometimes view CAT and Caterpillar interchangeably”.

### Competition between Caterpillar and Puma

1. A number of witnesses expressed their opinion on the question whether Caterpillar and Puma were competitors in Australia for the supply of apparel, footwear, bags and accessories. It is unnecessary to make findings about the extent of competition between Caterpillar and Puma in order to determine the issues that arise in this proceeding. Nevertheless, I record that I place no weight on Mr Narriman’s evidence that Puma does not regard CAT branded apparel to be a competitor in the lifestyle apparel market in Australia. I do not consider that Mr Narriman is qualified to express that opinion. Mr Narriman is a German lawyer whose role within Puma is focussed on intellectual property. Mr Narriman has only been to Australia in connection with his work for Puma once for a trip of some 10 days to conduct training for Australian Customs officers. Mr Narriman confirmed in evidence that he had not spoken to any of Puma’s Australian managers about the question of competition between Caterpillar and Puma. Further, when asked to explain the basis for his opinion, Mr Narriman said that when Puma enters into a sponsorship agreement with a sporting team or athlete, it requires the team or athlete to covenant not to enter into a similar agreement with one of Puma’s competitors which are identified as other sporting goods suppliers such as Nike and Adidas. While I accept the evidence underlying that explanation, it provides no foundation for a conclusion about the extent of competition between Puma and Caterpillar in respect of the sale of apparel, footwear, bags and accessories to consumers in Australia through retail stores (whether online or physical). Conversely, I accept Mr St Baker’s evidence that part of his role involves keeping abreast of competitor activity in the footwear and apparel markets in which CAT branded products are sold and that he considers that Puma is a competitor of Caterpillar. Mr St Baker adduced evidence concerning various types of apparel and footwear products supplied by Puma and by Caterpillar under the CAT marks in Australia that are similar. He also adduced evidence of the overlap in wholesale customers of both companies in Australia. I also accept Mr Gallinger’s evidence that Puma is a competitor of Caterpillar in respect of lifestyle apparel in Australia having regard to the overlap in the products sold under the Puma and CAT brands such as casual t-shirts.

## Section 44

1. On this appeal, Caterpillar contends that the PROCAT mark is deceptively similar to the CAT marks and that, as a consequence, registration must be rejected under s 44 of the Act.
2. Section 44(1) provides (relevantly) as follows:

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) …

(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.

1. The exceptions to the operation of s 44(1) set out in subs (3) and subs (4) are not relied upon by Puma. Puma also accepted that the registered CAT marks relied on by Caterpillar were registered in respect of similar goods to the PROCAT goods and had a priority date earlier than the PROCAT application. Thus, the dispute between the parties was confined to the question whether the PROCAT mark is deceptively similar to the CAT marks.

### Deceptive similarity

1. Section 10 provides that a trade mark is taken to be “deceptively similar” to another trade mark if it “so nearly resembles that other trade mark that it is likely to deceive or cause confusion”. The concepts embodied in s 10, and its predecessors, have been considered in many cases. The following principles are well-established by the cases.
2. First, the relevant comparison is between the marks themselves. The comparison assumes a normal and fair use of the application trade mark for all goods or services covered by the application: *Berlei Hestia Ltd v Bali Co Inc* (1973) 129 CLR 353 (***Berlei***) at 362; *Wingate Marketing Pty Ltd v Levi Strauss & Co* (1994) 49 FCR 89 (***Wingate***) at 127-128 per Gummow J; *MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236 (***MID***) at 245; *Vivo International Corporation Pty Ltd & Anor v Tivo Inc & Anor* [2012] FCAFC 159; 294 ALR 661 (***Vivo***) at [114] per Nicholas J (with whom Dowsett J agreed). A wider inquiry concerning the reputation of the marks, of the kind that might be undertaken in a passing off action or a proceeding in which misleading and deceptive conduct is alleged, is not appropriate: *CA Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539; 52 IPR 42 at [44]. Similarly, the idiosyncratic manner in which the alleged infringer uses the mark (for example, with disclaimers or additions to the mark) is not relevant: *Pacific Publications Pty Ltd v IPC Media Pty Ltd* [2003] FCA 104; 57 IPR 28 at [102] per Beaumont J; *In-N-Out Burgers, Inc v Hashtag Burgers Pty Ltd* [2020] FCA 193; 377 ALR 116 at [80] per Katzmann J.However, in assessing the likelihood of deception or confusion, it is relevant to consider the relevant trade or business, the way in which the particular goods or services are sold and the character of the probable acquirers of the goods or services: *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 (***Australian Woollen Mills***) at 658 per Dixon and McTiernan JJ; *Shell Co of Australia Ltd v Esso* *Standard Oil (Aust) Ltd* (1963) 109 CLR 407 (***Shell***) at 410 per Windeyer J. As stated by Dodds-Streeton J in *Tivo Inc v Vivo International Corp Pty Ltd* [2012] FCA 252 (***Tivo***) at [172]):

The marks should not be considered in isolation. The setting and surrounding circumstances of the comparison are relevant and include how and where the product will be sold, advertised, displayed and promoted, how knowledge of the mark may be conveyed to consumers and how consumers are likely to approach a purchase.

1. Second, the test is not a “side-by-side” comparison of the marks. Deceptive similarity is to be assessed by reference to persons who do not have an opportunity to compare the respective marks side-by-side (*Shell* at 415 per Windeyer J) and who may have an imperfect recollection of the marks (*Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84 at 89 per Latham CJ and at 98 per Williams J; *Berlei* at 362 per Mason J). As stated by Windeyer J in *Shell* (at 415):

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff’s mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant’s [mark].

1. Third, while the deception or confusion must result from the similarity in the marks, the likelihood of deception or confusion is to be judged not by the degree of similarity alone but by the effect of the similarity in the circumstances: *Shell* at 416, per Windeyer J. Confusion may arise from two word marks in a number of ways. The confusion might arise because of the textual similarity of the words, or because of the phonetic similarity of the words when pronounced, or there may be conceptual confusion where consumers might think that the product bearing the impugned mark is a variant of, or related to, an existing brand. As stated by Lord Parker (then Parker J) in *Re Application by Pianotist Co Ltd* (1906) 1A IPR 379 (at 380), it is necessary to “judge of [the two marks in question], both by their look and by their sound”. In *Australian Woollen Mills*, Dixon and McTiernan JJ explained (at 658):

… the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express-their desire to have the goods, then similarities both of sound and of meaning may play an important part.

1. In *Wingate*, the Full Court upheld the trial judge’s view that the trade mark “Revise” resembled “Levi’s” sufficiently to cause confusion by reason of the tendency of many persons to pronounce “Revise” to rhyme with “Levi’s”. In *Polo Textile Industries Pty Ltd v Domestic Textile Corp Pty Ltd* (1993) 42 FCR 227, Burchett J decided (at 230) that “Polo Club” was deceptively similar to “Polo” because, amongst other things “… someone who knew of a ‘Polo’ product, upon seeing a similar product selling under the name ‘Polo Club’ would be quite likely to think it was a particular version of the product which could be described as the Club version”. In *Pfizer Products Inc v Karam* (2006) 219 FCR 585, Gyles J decided (at [38]) that the mark HERBAGRA was deceptively similar to the mark VIAGRA because a substantial number of members of the public would think products bearing the former mark were a “herbal version” of VIAGRA. Further, if two marks share a common element, it tends to increase the likelihood of the later mark being considered to be deceptively similar, particularly if the common element is particularly prominent or is an “essential feature” of the marks: *Crazy Ron’s Communications Pty Ltd v Mobileworld Communications Pty Ltd* [2004] FCAFC 196; 209 ALR 1 (***Crazy Ron’s***) at [79].
2. Fourth, confusion includes being left in doubt or having cause to wonder: *Southern Cross* at 595 per Kitto J. The creation of an incorrect belief or mental impression and causing confusion “… *may go no further than perplexing or mixing up the minds of the purchasing public* …”: *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107 at [39] citing *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410 at 423 (Richardson J); *Tivo* at [102] per Dodds-Streeton J.
3. Fifth, it is not necessary to establish that confusion is more probable than not; likelihood is established if there is a real risk, that is a finite, non-trivial risk, of confusion:Woolworths at [43] per French J, Tamberlin J agreeing. It is enough if the ordinary person entertains a reasonable doubt: *Southern Cross* at 595 (per Kitto J); *Crazy Ron’s* at [76]. In *Australian Postal Corporation* *Australian Postal Corporation v Digital Post Australia Pty Ltd* [2013] FCAFC 153; 308 ALR 1, the Full Court stated (at [70]):

… the threshold for confusion is not high. Courts must compare the marks visually and aurally in the context of how the marks are used, and decide if there is a reasonable probability that the ordinary person to whom the marks are targeted, entertains a reasonable doubt as to the relationship between the marks. But there must be a realistic assessment, and a mere possibility of confusion is not enough.

1. Sixth, no intention to deceive or cause confusion is required, although it may nevertheless be a relevant factor to take into account in the evaluation of deceptive similarity if the defendant did have that intention: *Hashtag Burgers Pty Ltd v In-N-Out Burgers, Inc* [2020] FCAFC 235; 385 ALR 514 at [67] (Nicholas, Yates and Burley JJ) citing Dixon and McTiernan JJ in *Australian Woollen Mills* at 657.

### Caterpillar’s submissions

1. Caterpillar submitted that instances of fair and normal use of the PROCAT mark would include, by way of examples, use of the mark on a pair of casual sneakers, a pair of work boots, a t-shirt or a backpack. Such uses are within the categories of PROCAT goods, and each of Caterpillar and Puma promote and sell a wide range of lifestyle / leisure apparel, footwear and accessories.
2. In considering potential fair and normal uses, Caterpillar submitted that the Court is entitled to have regard to the use that Puma has made of the PROCAT mark in comparable overseas markets, as the mark has not come into use in Australia, relying on *Gardenia Overseas Pty Ltd v The Garden Company Ltd* (1993) 47 FCR 220 at 222 and *Re Grundig Trade Mark* [1968] RPC 89 at 98. I accept that such evidence is admissible in proof that a particular use of the mark may be characterised as normal and fair use. In that respect, Caterpillar relied on the use of the PROCAT mark in Canada, discussed earlier, and submitted that the depiction of the mark with the lettering of the two syllables “pro” and “cat” with different font, colour and shading is also within the potential fair and normal uses of the mark.
3. In relation to the circumstances in which the relevant goods would typically be promoted and sold, Caterpillar submitted that:
4. the parties’ leisure/lifestyle apparel, footwear, bags and accessories would typically be promoted and sold through “high street” retailers, such as department stores and specialist shoe and clothing stores, and through on-line retailers; and
5. the parties’ workwear apparel, footwear, bags and accessories would typically be promoted and sold both through workwear retailers (both bricks and mortar and on‑line) and, for many such products, through mainstream retailers.
6. Caterpillar submitted that there is a significant degree of similarity (visual, oral and aural) between the PROCAT mark and the CAT marks for the following reasons:
7. First, the word “cat” is a visually significant feature of the PROCAT mark, comprising half the letters making up that mark. The PROCAT mark contains the entirety of the letters of the CAT word mark. In relation to the CAT device mark, the dominant and memorable feature of that mark is the word “cat”. It dominates the mark visually and, because it is a word, is more memorable than the triangle shape it straddles. Accordingly, the PROCAT mark contains the essential feature of the CAT device mark.
8. Second, when pronounced, the PROCAT mark is most naturally broken up into two separate syllables “pro” and “cat”. Accordingly, when spoken and heard, the word “cat” is a significant, discrete and readily recognisable part of the PROCAT mark. When spoken and heard, the word “cat” is the only feature of the CAT marks. Accordingly, in an oral and aural sense, the PROCAT mark incorporates the entirety of the CAT marks.
9. Third, the word “pro” in the PROCAT mark is not effective to distinguish the PROCAT mark from the CAT marks. It is an ordinary English word with a descriptive quality. It is both an abbreviation of the word “professional” and an adjective meaning professional. For some consumers, the word “pro” would also have the connotation of being favourable or positive. Accordingly, the word “pro” is suggestive to consumers of goods which are of a professional standard or which have high performance characteristics.
10. Caterpillar submitted that there is widespread use of the word “pro” by other traders as a descriptive prefix suggesting professional. In support of that submission, Caterpillar relied upon a list of trade marks extracted from the IP Australia online database that include the prefix, suffix or letters “pro” in classes 18 and/or 25. The list was very extensive and included the marks TIMBERLAND PRO, PRO-KEDS, PRO KENNEX and NIKE PRO COMBAT. Mr Gallinger gave evidence of his awareness of brands that have sub-brands which use the descriptor “pro”. Mr Gallinger said that, in his experience, “pro” can be used to delineate professional products from casual products or novice products (for example, work boots for industrial sites as compared to work boots for DIY home renovations). Mr Gallinger referred to the brand TIMBERLAND PRO as an example (although he misspelled it as a single word, whereas the registered trade mark comprises two words). He explained that Timberland is an apparel and footwear brand, generally known for its casual apparel and leisure style boots and is considered very popular in the “urban fashion” market. Timberland also has a range of apparel and footwear designed for professional work which is referred to as TIMBERLAND PRO. Ms Chuong gave evidence concerning the display for sale (in January 2020), at the Hype DC store located at Waterfront City, Docklands Drive, Docklands, Victoria, of Ked’s footwear labelled as PRO-Keds.
11. I do not place any significant weight on the list of trade marks extracted from the IP Australia online database that include the prefix, suffix or letters “pro”. Save in very limited respects, no evidence was adduced in relation to the traders that use those brands and the manner in which the brands are used. In those circumstances, it is not possible to reach any conclusions as to the manner in which such trade marks would be read and understood by consumers. Nevertheless, I accept Mr Gallinger’s evidence that the word “pro” can be used to delineate professional products from casual or novice products. Further, for the reasons explained below, I accept that it is likely that ordinary Australian consumers would pronounce the PROCAT mark as a combination of two words “pro” and “cat” and that, so pronounced, the word would have a familiar or identifiable meaning to ordinary Australian consumers, being a professional “cat” or being positive toward “cat”.
12. Caterpillar submitted that the above matters, taken together, support a conclusion that the use of the PROCAT mark is likely to cause confusion. The PROCAT mark is likely to be used on goods which are the same as, or at least very similar to, CAT branded apparel, accessories and footwear. Further, goods bearing the PROCAT mark are likely to be promoted and sold through the same retail channels (and, in some instances, the very same retailers) as CAT branded apparel, accessories and footwear. There is a significant degree of similarity (visual, oral and aural) between the PROCAT mark and the CAT marks. The use of the descriptive word “pro” in the PROCAT mark is likely to convey to consumers that goods branded with the PROCAT mark are a professional or high performance grade of product. Accordingly, the word “pro” does not function to distinguish the PROCAT mark from the CAT marks. Finally, Caterpillar submitted that the likelihood of confusion is enhanced by the fact that Puma has, over many years, engaged in a wide range of co-branding campaigns across a range of industries. Through its use of co-branding campaigns, Puma has made consumers accustomed to the idea that Puma products may be co-branded with other well-known brands or names. Consumers who are familiar with Puma’s history of co-branding activities would readily think that a Puma product bearing the CAT mark is a co-branded product.

### Puma’s submissions

1. Puma submitted that there are significant visual, aural and conceptual differences between the PROCAT mark and the CAT marks:
2. In relation to visual differences, the PROCAT mark is a longer, six letter, single word and the mark is rendered in lower case in sans-serif font which has a rounded form and unites the letters, while the elongated letters “p” and “t” bookend the word.
3. In relation to aural differences, the PROCAT mark consists of two syllables. The distinguishing element “pro” is positioned at the front and receives stronger emphasis when spoken than the suffix “cat”. Any aural similarity arising from the common suffix “cat” is swamped by the additional syllable “pro”.
4. In relation to the conceptual differences, “procat” is an invented word.
5. Puma submitted that, in considering the likelihood of confusion, it is relevant to have regard to the manner in which apparel, footwear, bags and accessories are usually sold in the workwear and lifestyle market segments. Puma submitted that the evidence establishes that the relevant trade involves the use of multiple trade marks or branding elements on and in connection with footwear, apparel and accessory goods. In that respect, the Puma goods displayed in evidence all contained multiple trade marks and invariably included the leaping cat device or the Puma and leaping cat device. The examples of Caterpillar shoes displayed in evidence bore both the Caterpillar mark and the CAT device mark. Puma also relied on the evidence of Mr Ors to the effect that, in relation to footwear traders in general (including Nike), it is not uncommon to see multiple marks (such as a house mark, secondary mark and sub-brand) and that he would see it on safety, lifestyle, athletic or any variations of footwear. Puma submitted that the Court can infer that the normal and fair use of the PROCAT mark would be in conjunction with other trade marks or branding elements.
6. Puma submitted that the Court should approach the question of deceptive similarity by considering the “fair and honest” use of the PROCAT mark in the fancy style in which the application was made. Puma argued that it is premature to speculate on other uses of the mark. If, hypothetically, after registration the mark was to be used in a manner which is likely to deceive or cause confusion, then it would be open to Caterpillar to apply for cancellation of the registration on the ground under s 88(2) of the Act. In that regard, Puma relied on the following caution expressed by Jessup J in *Delfi Chocolate Manufacturing SA v Mars Australia Pty Ltd* [2015] FCA 1065; 115 IPR 82 (***Delfi***) at [11]:

Much of the respondent’s case was concerned to demonstrate how confusing the applicant’s mark would be if used in the same lettering and font, in the same colour and against the same background colour and in the same layout and style, including the same placement and angle with reference to the packaging being used, as the respondent’s mark commonly is. Considerations of these kinds would, of course, be central aspects of any passing off case brought by the respondent against the applicant, but they have no place in a proceeding in which the only issue is whether the applicant’s mark, a single word in upper case letters, should be registered.

### Consideration

1. In my view, the PROCAT mark is deceptively similar to each of the CAT marks. That conclusion follows from the combined effect of the following considerations.
2. First, the word “cat” comprises the whole of the CAT word mark and one of the two elements of the CAT device mark (the second element being the triangle under the letter “a”). The word “cat” constitutes half the letters of the PROCAT mark and one of its two syllables.
3. Second, an ordinary consumer is likely to read, comprehend and pronounce the PROCAT mark as a combination of two words, “pro” and “cat”. Neither party adduced evidence of a linguistics expert in relation to the likely manner of reading, comprehending and pronouncing the PROCAT mark by ordinary English speaking Australian consumers. However, that does not prevent the Court from making findings with respect to that issue, in circumstances where the PROCAT mark comprises a word using letters of the English (Roman) alphabet which will be directed to ordinary Australian consumers of workwear and lifestyle apparel, footwear, bags and accessories: see *Companhia Souza Cruz Industria E Comercio v Rothmans of Pall Mall (Australia) Ltd* (1998) 41 IPR 497 at 504. Caterpillar submitted, and I accept, that the PROCAT mark is likely to be read and pronounced by ordinary Australian consumers in a manner that separates its two syllables, “pro” and “cat”. It is much less likely that the PROCAT mark would be read and pronounced as a single word such as to rhyme with, or have the same syllabic emphasis as, the words “pocket” or “rocket”. In my view, this would be the case whether the mark is depicted with the lettering of the two syllables “pro” and “cat” depicted with different colour and shading or the use of an upper case “p” and “c” (such as in respect of the football boots and bags offered in the USA and Canada the subject of evidence), or whether the mark is depicted with all lettering in the same colour, shading and case. In so far as the mark is depicted with different styles of lettering of the two syllables “pro” and “cat”, the reader is effectively directed to comprehend and pronounce the two syllables as two separate words. However, even if the mark is depicted with all lettering in the same colour, shading and case, the more natural pronunciation for an ordinary Australian consumer is the same. This is for two related reasons. First, pronounced so as to rhyme with “pocket” or “rocket”, the word “procat” would have no apparent meaning and therefore would be read as an unfamiliar, made-up word. Second and conversely, pronounced as a combination of two words “pro” and “cat”, the word “procat” takes on a straightforward meaning. The word “cat” is a simple, well-known word. The syllable “pro” is a commonly used word, abbreviation and syllable in Australian English. As an adjective, it has become a colloquially accepted abbreviation for the word professional. It is also commonly used in its original Latin meaning being “for” (the opposite of against). Thus, pronounced as a combination of two words “pro” and “cat”, the word would have a familiar or identifiable meaning to ordinary Australian consumers, being a professional “cat” or being for or positive toward “cat”.
4. Third, the relevant trade context concerns a wide range of apparel, footwear, bags and accessories sold in retail stores and online in the workwear and lifestyle market segments. The evidence showed, and it is a matter of common experience, that goods in those categories generally have very similar styles across brands. In the case of clothes, there is very little difference in style across brands with respect to shirts, T-shirts, trousers, sporting jumpers or sweatshirts etc. In the case of footwear, there is very little difference in style across brands with respect to work boots, sneakers and other casual shoes. In the case of bags, there is very little difference in style across brands with respect to soft carry bags (duffel bags) or backpacks. The goods are common, everyday purchases which, individually, are modestly priced. The evidence showed that there was overlap in the retail channels used by Puma and Caterpillar, and there is no reason to think that the retail channels would be separate.
5. In that trading context, in my view there is a real and tangible risk that a significant number of consumers, who were familiar with but had an imperfect recollection of the CAT mark, would be confused as to whether goods labelled with the PROCAT mark were connected in the course of trade with CAT branded goods, as being a “professional” or high performance or otherwise special line of CAT goods. There is a real and not remote risk that the use of the word “pro” in conjunction with the word “cat” in the PROCAT mark, when used on apparel, footwear, bags and accessories, would convey to many consumers that goods branded with the PROCAT mark are professional or high performance goods which are made or endorsed by, or otherwise associated with, Caterpillar. As such, consumers would be caused to wonder whether there is commercial connection between PROCAT branded goods and Caterpillar.
6. I do not consider that the matters raised by Puma negative the conclusion that the PROCAT mark is deceptively similar to the CAT word and device marks.
7. First, the fact that Puma has applied to register the PROCAT mark as a fancy mark in lower case with sans-serif font does not limit the trade mark rights granted upon registration to use with a single colour or shade of lettering or indeed to use without any letters being capitalised. As stated above, I consider that the use of the PROCAT mark in Australia in the same manner as in the USA and Canada (as shown in the evidence), whereby the letters “pro” and “cat” have different shades or colours or the word is depicted with a capital “p” and a capital “c”, would constitute a use with alterations which do not substantially affect the identity of the trade mark. In my view, such use would constitute fair and normal use of the mark and, in assessing the likelihood of confusion, it is permissible to contemplate such use. The observations of Jessup J in *Delfi* referred to above and relied upon by Puma do not require a contrary conclusion. In the cited passage, his Honour cautioned against an approach which envisioned the use of the application trade mark with colours, font or background which replicated features of the prior registered mark. As his Honour observed, the relevant assessment is of the marks themselves. However, it is both permissible and necessary to consider the full parameters of fair and normal use of the applied for mark, because they are the rights granted by registration. As explained by Nicholas J in *Vivo* (at [114]):

The authorities make clear that “normal use” in this context means normal and fair use for all goods or services covered by the trade mark registration or trade mark application in question. Hence, it is the statutory rights of use that are to be compared rather than any actual use, and in considering whether an application for a mark should be rejected under s 44(1) because it is deceptively similar to an existing registered trade mark, it is necessary to have regard to all legitimate uses to which each mark might be put by its owner: see *Re Application by Smith Hayden & Coy Ld* (1946) 63 RPC 97 at 101; *Berlei Hestia* at CLR 362; ALR 449 and *Polo Textile Industries Pty Ltd v Domestic Textile Corporation Pty Ltd* (1993) 42 FCR 227 at 230–1; 114 ALR 157 at 161–2; 26 IPR 246 at 249–50.

1. Second, and relatedly, I do not place any material weight on the fact that the evidence suggests that it has been common for at least some traders to use multiple trade marks or branding elements on and in connection with footwear. In assuming fair and normal use of the applied for mark, the Court ignores the use of other marks or indicia that may distinguish the relevant goods: *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at 174; *Wingate* at 128-129 and *MID* at 245. In any event, I accept Caterpillar’s submission that the evidence relied on by Puma in support of this conclusion is insufficient to make any clear finding about the extent of the practice across traders selling footwear, let alone the extent of the practice in respect of apparel, bags and accessories. The pictorial evidence on this issue was largely confined to the branding practices of Puma and Caterpillar in respect of footwear. The evidence of Mr Ors was confined to footwear and was given at the highest level of generality (in response to a question in cross-examination) and was qualified. Mr Ors agreed that, in relation to footwear traders in general, it is “not uncommon” to see multiple marks (such as a house mark, secondary mark and sub-brand) “depending on the style and market segment the trader was going after”. The extent to which the practice was followed in the Australian market, and across different market segments, was not explored with Mr Ors in cross-examination. Mr St Baker gave similar evidence in respect of footwear at a similar level of generality.

### Conclusion on s 44

1. In conclusion, I find that the PROCAT mark is deceptively similar to the CAT marks and that, as a consequence, registration of the PROCAT mark must be rejected under s 44 of the Act. Although not strictly necessary, I will also consider Caterpillar’s other grounds of appeal under ss 60 and 42(b) of the Act.

## Section 60

1. Caterpillar also opposes registration of the PROCAT mark on the ground stated in s 60 of the Act on the basis of the reputation of the CAT marks.
2. Section 60 provides as follows:

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

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

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

1. In order to make out the requirements of s 60, Caterpillar must show that, before the priority date of the PROCAT application:
2. the CAT marks had acquired a reputation in Australia in respect of the PROCAT goods (broadly, apparel, footwear, bags and accessories); and
3. because of that reputation, the use of the PROCAT mark would be likely to deceive or cause confusion.

### Applicable principles

1. I summarised the principles governing the application of s 60 in *Rodney Jane Racing Pty Ltd v Monster Energy Company* [2019] FCA 923; 142 IPR 275 (***Rodney Jane***) at [82]-[84]. Neither party advanced submissions that contradicted those principles. The principles can be restated as follows, omitting reference to the supporting authorities:
2. The purpose of s 60 is to provide protection for prior well-known marks, whether registered or not.
3. The likelihood of deception or confusion from the use of the opposed mark must arise because of the reputation of the prior mark. The Court must compare “mark and reputation” rather than “mark and mark”.
4. The ordinary meaning of the word “reputation” is the recognition of a person or thing by the public generally or the estimation in which a person or thing is held by the public generally. The reputation of a trade mark has quantitative and qualitative dimensions. The quantitative dimension concerns the breadth of the public that are likely to be aware of the mark, which can be evidenced by the quantum of sales, advertising and promotion of goods or services to which the mark is applied. The qualitative dimension concerns the image and values projected by the trade mark, which affects the esteem or favour in which the mark is held by the public generally. A mark may acquire a reputation in Australia through indirect exposure in the press, on television and on the internet.
5. The reputation of the prior mark is to be assessed at the priority date of the opposed application.
6. The relevant comparison is between the prior mark as actually used and a notional normal and fair use of the mark sought to be registered.
7. Section 60 is not constrained by the concept of deceptive similarity. Indeed, the words of s 60 do not refer to resemblance at all. The question is purely one of prior reputation. Nevertheless, the degree of similarity between the allegedly conflicting marks will be a relevant consideration.
8. The test for confusion under s 60 is not limited to whether consumers might think that the respective marks are the same. It is sufficient that consumers might wonder whether the respective goods might be connected in the course of trade. It is enough if consumers might think that the product bearing the impugned mark is a variant of, or related to, an existing brand.
9. There is no requirement that it be more probable than not that the use of the opposed mark will deceive or cause confusion. All that is required is that there is a real and tangible danger of confusion or deception. It is enough if the ordinary person entertains a reasonable doubt.
10. Evidence of actual confusion is not required.
11. As submitted by Puma, a strong reputation in the prior mark may militate against any likelihood of confusion where there are differences between the marks under comparison: *Singtel Optus Pty Ltd v Optum Inc* [2018] FCA 575; 140 IPR 1 at [205] per Davies J. This is because a consumer “with a stronger awareness of the [prior] mark” is more likely to be “immediately struck by the differences between the two marks”: *Delfi* at [29] per Jessup J; see also *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606; 81 IPR 354 (***Mars***) at [96]-[97] per Perram J.

### Caterpillar’s submissions

1. Caterpillar submitted that, by reason of its use and promotion of the CAT mark in Australia in relation to apparel, footwear, bags and accessories, it had a substantial and valuable reputation in Australia in the CAT mark as at the priority date.
2. Caterpillar submitted that the fair and normal use of the PROCAT mark is likely to cause confusion because of the reputation of the CAT marks, largely for the reasons submitted in respect of s 44 (as set out above above). Caterpillar submitted that its reputation in the CAT marks increases the likelihood of confusion arising from the use of the PROCAT mark because many Australian consumers are familiar with the CAT marks. When consumers fix upon the word “cat” in the PROCAT mark, it will, for many Australian consumers, bring to mind the CAT marks and Caterpillar. Further, the use of the word “pro” in the PROCAT mark is likely to convey to many Australian consumers that goods bearing the PROCAT mark are a specific line of Caterpillar products, or products endorsed by Caterpillar. In these circumstances, the requirements for confusion under s 60 are met – many relevant consumers would be caused to wonder whether goods bearing the PROCAT mark are connected in the course of trade to Caterpillar.

### Puma’s submissions

1. Puma submitted that s 60 must be applied separately in respect of each of the relevant CAT marks and that it is therefore necessary to consider the reputation of the CAT word mark and the CAT device mark separately, relying upon *Rodney Jane* at [89].
2. Puma submitted that the evidence demonstrates a reputation in Australia in respect of the CAT device mark, but not in respect of the CAT word mark. Puma argued that the CAT word mark invariably appears in conjunction with the CAT device mark and the Caterpillar corporate name and mark. Puma submitted that any reputation which the CAT word mark has is derived from the CAT device mark and the Caterpillar corporate name and mark. It is those marks which create an association in consumers’ minds with the word “cat”, not the CAT word mark.
3. Puma further submitted that the use of the CAT marks is strictly controlled by Caterpillar and that the evidence shows that Caterpillar’s licensees almost always use the CAT device mark. It follows, in Puma’s submissions, that Australian consumers would have a high degree of familiarity with the CAT device mark, which has a distinctive triangle under the letter “a”. This makes confusion with the PROCAT mark unlikely. In that regard, Puma placed reliance on the findings made by Perram J in *Mars* at [96]-[97] (which were not disturbed on appeal: [2009] FCAFC 174; 84 IPR 12) that:

…in assessing the notion of a consumer’s imperfect recollection of a mark, the fact that a mark is notoriously so ubiquitous and of such long standing that consumers generally must be taken to be familiar with it and its use in relation to particular goods or services is a relevant consideration…

… The application of these principles is, so it seems to me, relatively straightforward. The Maltesers marks are very famous. Consumers generally must be taken to be familiar with them. That is relevant to assessing a consumer’s imperfect recollection of the mark. So viewed, a comparison between the impression held in the consumer’s mind and the direct impression of Sweet Rewards’ mark is one which, in this case at least, occurs in a context in which the chances of the average consumer having forgotten the Maltesers mark are vanishingly small.

### Consideration

1. In my view, Caterpillar has established that, before the priority date of the PROCAT application:
2. the CAT marks had acquired a reputation in Australia in respect of the PROCAT goods (apparel, footwear, bags and accessories); and
3. because of that reputation, the use of the PROCAT mark would be likely to cause confusion.
4. My findings with respect to the reputation of the CAT marks are set out earlier in these reasons. To recap, I consider that the evidence shows that, as at the priority date, Caterpillar had a substantial and valuable reputation in Australia in each of the CAT device and word marks in relation to apparel, footwear, bags and accessories. The reputation spans both the lifestyle (everyday items directed at consumers at large) and workwear (hardwearing items commonly worn by trades) segments of the market. I do not accept Puma’s submission that the CAT word mark has a lesser reputation in Australia compared with the CAT device mark (or the CATERPILLAR marks). For the reasons set out earlier, I do not consider that there is any material difference in the extent of reputation associated with the CAT device and word marks.
5. I also do not accept Puma’s submission that the CAT marks had such a strong reputation in Australia, and Australian consumers had such familiarity with the CAT marks, that confusion with the PROCAT mark would be unlikely. Indeed, as submitted by Caterpillar, Puma’s submissions with respect to the reputation enjoyed by the CAT marks were not entirely consistent. One the one hand, as recorded earlier in these reasons, Puma placed emphasis on the fact that the sales of Caterpillar licensed goods were modest in comparison to Caterpillar’s overall sales; Puma also sought to emphasise segments of the markets for apparel, footwear, bags and accessories in which Caterpillar licensed goods had modest sales; and Puma argued that the CAT word mark did not have a significant reputation. On the other hand, Puma contended that the CAT marks were so well known that no confusion would arise from Puma’s use of the PROCAT mark. In my view, while the evidence shows that the CAT marks had a strong reputation in Australia as at the priority date in respect of apparel, footwear, bags and accessories, the CAT marks could not be described as famous or very famous (in contrast to the findings made in respect of the brand “Maltesers”, the subject of the decisions in *Mars* and *Delfi*).
6. I consider that the use of the PROCAT mark would be likely to cause confusion for the same reasons as discussed with respect to s 44 of the Act. In my view, there is a real and tangible risk that a significant number of consumers, who were familiar with the reputation of the CAT marks but had an imperfect recollection of those marks, would be confused as to whether goods labelled with the PROCAT mark were connected in the course of trade with CAT branded goods, as being a “professional” or high performance or otherwise special line of CAT goods.

### Conclusion on s 60

1. In conclusion, Caterpillar has also established the ground of opposition to the registration of the PROCAT mark under s 60 of the Act. Registration should also be refused on that ground.

## Section 42(b)

1. Caterpillar also opposes the registration of the PROCAT mark on the ground stated in s 42(b) of the Act that the use of the mark would be contrary to law. In that respect, Caterpillar contends that the use of the PROCAT mark by Puma would contravene ss 18 and 29(1)(g) and (h) of the Australian Consumer Law. Those sections provide as follows:

**18 Misleading or deceptive conduct**

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

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

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

 …

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

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

1. The principles governing the application of ss 18 and 29 are well established and neither party referred to them in any detail. The principles were recently restated by the Full Court in *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2020) 278 FCR 450 at [20]-[24] and *Australian Competition and Consumer Commission v Employsure Pty Ltd* [2021] FCAFC 142 at [86]-[98].
2. As I observed in *Rodney Jane* (at [91]), there are two important differences in the enquiry required by s 60 of the Act on the one hand and ss 18 and 29 of the Australian Consumer Law on the other. First, the enquiry under s 60 requires consideration of whether the use of the applied for trade mark would be likely to deceive or cause confusion by reason of the reputation of a pre-existing mark; the enquiry under ss 18 and 29 is not so confined and all relevant circumstances can be considered. Second, under s 60 it is sufficient to show that consumers are given “cause to wonder” as to the source of the trade mark applicant’s goods, but that is not sufficient under the Australian Consumer Law where it is necessary to show a likelihood of relevant members of the public being led into error: see *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 198 per Gibbs CJ; *Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435 at [8] per French CJ, Crennan and Kiefel JJ.
3. In respect of s 42(b), Caterpillar relied on the same evidence and contentions as advanced in respect of s 60. Caterpillar did not refer to any additional circumstances that bear upon the application of the Australian Consumer Law provisions but which are not relevant to the s 60 analysis. In those circumstances, Caterpillar’s reliance on s 42(b) of the Act is superfluous. If the Court had found against Caterpillar under s 60, it would necessarily have followed that the Court would find against Caterpillar under s 42(b) (because the relevant test under the Australian Consumer law provisions involves a higher threshold than the test under s 60). If, as is the case, the Court found in favour of Caterpillar under s 60, it becomes unnecessary for the Court to consider s 42(b) and make the additional findings required in respect of the Australian Consumer Law. In a case such as the present, reliance on s 42(b) by reference to the Australian Consumer Law prohibitions only has utility if the appellant seeks to rely on additional evidence and contentions that are not relevant to the s 60 analysis. In this case, Caterpillar did not. For those reasons, in the circumstances of this case, it is unnecessary to consider s 42(b) further.

## Conclusion

1. In conclusion, Caterpillar has satisfied me of the grounds of opposition in ss 44 and 60 of the Act. I will therefore allow the appeal, set aside the decision of the delegate and order that the PROCAT mark not be registered. I also consider that costs should follow the event so that Puma be required to pay Caterpillar’s costs of this appeal and Caterpillar’s costs of the opposition proceeding before the Trade Marks Office in line with the amounts in Schedule 8 of the *Trade Mark Regulations* 1995 (Cth).

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| I certify that the preceding one hundred and thirty-five (135) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice O'Bryan. |

Associate:

Dated: 27 August 2021