



TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Applications 1120614; 1120615; 1120621 in the name of Cadbury Limited and opposition to registration by Darrell Lea Chocolate Shops Pty Ltd - proposed suspension of opposition proceedings

DELEGATE:	Deirdre O'Brien
REPRESENTATION:	Opponent Colin Golvan of senior counsel instructed by Middletons
	Applicant David Shavin of senior counsel, Warwick Rothnie of counsel instructed by Corrs Chambers Westgarth
DECISION:	2008 ATMO 6 Reg 5.16 direction that opposition proceedings be suspended No award of costs

Background

1. Cadbury Ltd ('Cadbury') filed trade mark applications 1120614; 1120615; and 1120621 on 23 June 2006 ('the priority date'). Each of these applications has been accepted for registration and advertised in the *Official Journal of Trade Marks*. The relevant trade mark details are:

Trade Mark No: 1120614
Owner: Cadbury Limited
Priority Date: 23 June 2006
Goods: Block chocolate; boxed chocolate (Class 30)
Trade Mark: CO: ENDORSEMENT ONLY; PURPLE
Endorsements: The trade mark is the colour PURPLE depicted in the representation attached to the application form being approximated by reference PMS 2685C in the Pantone Colour Formula Guide and used in relation to the designated goods.*
Provisions of subsection 41(6) applied.



Trade Mark No: 1120615
Owner: Cadbury Limited
Priority Date: 23 June 2006
Goods: Block chocolate; boxed chocolate (Class 30)
Trade Mark: CO: ENDORSEMENT ONLY; PURPLE
Endorsements: The trade mark is the colour PURPLE depicted in the representation attached to the application form (PMS 2685, which has an LAB value of L=33.07, A=34.13, B=-43.07, all such values +/- 10%) used in relation to the designated goods.*
Provisions of subsection 41(6) applied.



Trade Mark No: 1120621
Owner: Cadbury Limited
Priority Date: 23 June 2006
Goods: Block chocolate; boxed chocolate (Class 30)
Trade Mark: CO: ENDORSEMENT ONLY; PURPLE
Endorsements: The trade mark consists of the colour purple, depicted in the representation attached to the application form being approximated by reference PMS2685C in the Pantone Colour Formula Guide, used in relation to the nominated goods.*
Provisions of subsection 41(6) applied.



2. Each of these trade mark applications has, in turn, been opposed by Darrell Lea Chocolate Shops Pty Ltd ('Darrell Lea'). The Notices of Opposition in relation to trade mark applications 1120614; 1120615; and 1120621 (collectively 'the present oppositions') were filed on 8 May 2007; 14 August 2007; and 8 May 2007 respectively. The grounds of opposition cited in each Notice of Opposition may be summarized as:

- the opposed trade mark is not capable of distinguishing the applicant's goods;
- the applicant is not the owner of the opposed trade mark;

- the opposed trade mark is substantially identical with or deceptively similar to registered trade mark 771390 having an earlier priority date in respect of similar goods or closely related services;
 - the applicant does not intend to use, or authorise the use of, the opposed trade mark in relation to the goods specified in the application;
 - the registration of the Trade Marks would prejudice the opponent and/or its licensees in the conduct of its and/or their business;
 - the opposed trade mark was accepted for registration on the basis of evidence or representations that were false in material particulars;
 - the opponent has used a substantially identical or deceptively similar trade mark to the trade mark in respect of similar goods or closely related services or similar services or closely related goods before the applicant or its predecessor in title used the trade mark and the opponent has continuously used its trade mark since that first use;
3. Cadbury has applied for registration of an additional 11 relevant trade marks which are still under examination — applications 1009024, 1029792, 1029890, 1120613, 1120616, 1120617, 1120618, 1120619, 1120620, 1120622 and 1120623 (‘the further applications’). Broadly speaking these applications are for different shades of purple in relation to various chocolate goods in class 30.
4. On 24 July 2007, the solicitors for Darrell Lea wrote to the Registrar of Trade Marks requesting a suspension of the present oppositions before the Registrar pending the determination of Federal Court proceeding VID 546 of 2006 (the ‘Federal Court opposition’). On 26 July 2007 the solicitors for Cadbury informed the Registrar that their client did not consent to a suspension of the present oppositions. Through subsequent correspondence Darrell Lea’s reasons for seeking a suspension, and the basis of Cadbury’s opposition to such a suspension, were further developed.
5. By letter on 13 August 2007 the solicitors for Darrell Lea formally requested a hearing in relation to three requests. In summary form these were:
- (1) That the opposition proceedings in relation to applications 1120614 and 1120621 [and subsequently 1120615] be suspended until the determination of the Federal Court opposition; or
 - (2) That the opposition proceeding in relation to application 1120621 [and subsequently 1120615] be suspended pending the outcome of the opposition in relation to application 1120614; or

- (3) That the present oppositions be suspended until the further applications had been accepted, published and opposed, such that all oppositions could be heard in one hearing.
6. The matter then came to be heard by me as a delegate of the Registrar of Trade Marks. The hearing was held in Canberra by video-conference on 12 October 2007. Darrell Lea was represented by Mr Colin Golvan SC on the instructions of its solicitors, Middletons. Cadbury was represented by Mr David Shavin QC and Mr Warwick Rothnie of counsel on the instructions of its solicitors, Corrs Chambers Westgarth.

The Submissions

Darrell Lea

7. In its submissions, Darrell Lea drew attention to another proceeding in the Federal Court — No. 555 of 2005 ('the passing off proceeding'). Notice of the relevance of these proceedings to the present suspension application was only received by Cadbury at 5pm the day prior to the hearing.

The Passing Off Proceeding:

8. Mr Golvan drew my attention to several findings contained in the trial judgment of Heerey J. The most significant being the statement that:

Cadbury does not own the colour purple and does not have an exclusive reputation in purple in connection with chocolate. Darrell Lea is entitled to use purple, or any other colour, as long as it does not convey to the reasonable consumer the idea that it or its products have some connection with Cadbury. I am not satisfied that this has occurred, or is likely to occur.¹

9. It was noted that Cadbury had successfully appealed elements of this decision, and the matter had subsequently been remitted to the trial judge for a further hearing. The essential proposition raised by Darrell Lea was that the findings of Heerey J, if confirmed following the further hearing, would be determinative of the factual issues which would arise before the Registrar in the present oppositions (and any opposition proceedings related to the further applications).

¹ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)* (2006) 69 IPR 23, 44 [121] (Heerey J).

10. In support of this submission, attention was drawn to the requirements for establishing factual distinctiveness under section 41(6) of the *Trade Marks Act 1995* ('the *Trade Marks Act*'). Specific mention was made of the requirements that a factually distinctive trade mark 'must distinguish [the goods of the proprietor] in the sense of indicating origin', and that a colour trade mark must 'indicate a connection in the course of trade between the product or service and the person using the mark'.²
11. The essence of Darrell Lea's submission on this point is that Cadbury would be unable to establish factual distinctiveness for the various shades of purple which are subject to the present oppositions if the findings of Heerey J are not upset following the further hearing, and final determination of the passing off proceeding.
12. In its further submissions Darrell Lea re-iterated the similarities between the passing off proceedings and the present oppositions. It noted that the Federal Court will be required to make findings of fact which concern Cadbury's reputation in the colour purple — at a time similar to the priority dates of the opposed applications — which 'will very likely be determinative of similar issues of fact before the Trade Marks Office.'

The Federal Court Opposition:

13. Darrell Lea also pursued an argument based upon the Federal Court opposition in relation to application 779336. If the court finds the application may be registered in its original form, it would, in Darrell Lea's submission, render the present oppositions pointless. It was further submitted that findings of fact made at trial would be of significance to the determination of factual distinctiveness in the present oppositions. Darrell Lea contends that the present oppositions should be suspended pending the outcome of the Federal Court opposition.

Additional Considerations:

14. Darrell Lea drew my attention to several additional factors which may assist the determination of this suspension application. Briefly summarised, these are:
 - **Evidentiary concerns:** Physical evidence tendered in relation to both Federal Court proceedings would be required to conduct the oppositions. Obtaining this evidence would be a costly and time-consuming process.

² *Woolworths Ltd v BP Plc* (2006) 70 IPR 25, 44 (Heerey, Allsop and Young JJ).

- **Third party interests:** It was submitted that while no third parties would be adversely affected by a suspension of the present oppositions, several third party manufacturers may benefit from a suspension. These parties would not be required to give evidence in a multitude of proceedings.

Cadbury

15. Cadbury's submissions in relation to the passing off proceedings at the time of the hearing were limited by the failure of Darrell Lea to give Cadbury sufficient notice that it would be relying on those proceedings. I therefore gave both parties the option of making additional written submissions on the relevance of those proceedings. The supplementary submissions of both parties have been considered in this decision, and as such I regard any procedural unfairness upon Cadbury to have been mitigated.

The Passing Off Proceeding:

16. In its additional submissions, Cadbury argued that the passing off proceeding was not sufficiently relevant to the present oppositions to justify their suspension.
17. Cadbury noted that the findings of Heerey J, specifically that extracted previously, were overturned by the Full Court on appeal. Of specific relevance is the conclusion of the Full Court that '[i]t is not possible ... to conclude that there was no miscarriage of justice by reason' of Heerey J's exclusion of certain expert evidence at trial.³
18. Cadbury also drew my attention to differences in the nature of each proceeding. The most significant being:
 - the passing off proceeding involves liability only where Darrell Lea's conduct misrepresented 'sponsorship, endorsement or association of some sort with the plaintiff [who I note to be a separate, but related company].' The question in the present oppositions being whether Cadbury has established factual distinctiveness in relation to trade mark applications 1120614, 1120615 and 1120621.
 - Surrounding factors, namely whether Cadbury uses the colour purple in isolation as an indicium of trade, are relevant to questions of misrepresentation. The question relevant to section 41(6) of the *Trade Marks Act* is whether a sign is taken by the public to be functioning as a badge of origin.

³ *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 72 IPR 261, 287 (Black CJ, Emmett and Middleton JJ).

19. It was also noted that there is no guarantee that the passing off proceedings will be resolved in the near future. The prospect of further hearings and possibly appeals may mean it could take until 2010 or 2011 for the proceeding to be fully resolved. A delay of such length in the present oppositions would be of considerable prejudice to Cadbury, amongst other considerations.

The Federal Court Opposition:

20. Cadbury argued that the resolution of the Federal Court opposition would not determine the issues in the present oppositions. It noted that opposition proceedings before the Registrar have generally only been suspended in cases where proceedings before the Federal Court would effectively resolve the substantive issues to be determined in a related opposition.

21. Cadbury and Darrell Lea both acknowledged that the substantive issue to be determined in the present oppositions was whether the opposed trade marks had acquired factual distinctiveness under section 41(6) of the *Trade Marks Act*. It is also not in dispute that factual distinctiveness is at the heart of the Federal Court opposition before the Federal Court.

22. However, in Cadbury's submission, factual differences between the trade marks subject to the present oppositions, and the trade mark subject to the Federal Court opposition means the Federal Court opposition will not resolve the issue of factual distinctiveness in the present proceedings.

23. Most relevantly, there is a difference of approximately 8 years between the date at which factual distinctiveness is assessed in the Federal Court opposition, and the date it is to be assessed in the present oppositions.

24. Cadbury also noted that the Federal Court opposition raises additional questions regarding the registrability of various colours as a series of trade marks in a single trade mark application; and a question concerning the scope of goods for which registration may be obtained. It asserts both these issues are beyond the issues which arise in the present oppositions.

Additional Considerations:

25. Cadbury expressed doubt regarding the evidentiary concern raised by Darrell Lea. My attention was drawn to prior proceedings before both the Registrar and the Federal Court, in which there was ‘no difficulty ensuring that evidence was available for the opposition hearing’.
26. Further, Cadbury notes that suspending the present proceedings will cause real prejudice to their interests. There is no certain timetable by which the Federal Court opposition before the Federal Court will be determined — a suspension of the present applications would significantly delay the registration process. This denies Cadbury the opportunity to have its trade mark applications and oppositions determined in a timely manner, and would delay the enjoyment by Cadbury (and the public generally) of the benefits which flow from trade mark registration.

Reasons

27. Following the hearing, I understand the directions sought by Darrell Lea to be as follows:
 - (1) That the present oppositions be suspended pending the final determination of:
 - a. the passing off proceeding; and/or
 - b. the Federal Court oppositionby the Federal Court.
 - (2) That, in the event any of the further applications are accepted for possible registration and opposed by Darrell Lea, these proceedings also be suspended in the same matter as the present oppositions.
 - (3) That the present oppositions, and any oppositions arising from the further applications be heard together, with evidence filed in relation to one opposition being considered as evidence in all related oppositions.
 - (4) That evidence previously filed in the opposition proceedings in relation to trade mark application 779336 be evidence in the present oppositions (and any related oppositions which have been subsequently commenced).
28. In its supplementary submissions, Darrell Lea requested a further direction:
 - (5) That evidence adduced in the passing off proceeding be considered evidence in the present oppositions.

Direction (3)

29. I note that Cadbury is largely in agreement with direction (3) above. Subject to the remainder of this decision, any evidence filed and properly served in relation to the oppositions concerning applications 1120614, 1120615 and 1120621 is to be considered as evidence in relation to each of these oppositions. Further, these oppositions are to be heard concurrently. To the extent direction (3) is sought to apply to the further applications, I note that Cadbury has not consented to this direction. The application of direction (3) to the further applications is a matter to be determined if and when those applications have been accepted for possible registration and opposed by Darrell Lea.

Direction (4)

30. Cadbury similarly consented to direction (4), insofar as it relates to the present oppositions. Subject to the remainder of this decision, any evidence filed in opposition proceedings before the Registrar in relation to trade mark application 779336 will be taken as filed and served in relation to the oppositions concerning applications 1120614, 1120615 and 1120621. The application of direction (4) to the further applications is a matter to be determined if and when those applications have been accepted for possible registration and opposed by Darrell Lea.

Direction (5)

31. In its submissions in reply dated 26 October 2007, Cadbury further consented to direction (5) provided:
- (a) the evidence filed in accordance with direction (5) is relevant to a matter raised in the present oppositions;
 - (b) Darrell Lea notifies both the Registrar and Cadbury what material Darrell Lea intends to rely upon; and
 - (c) Darrell Lea makes that evidence available to Cadbury so that Cadbury can prepare its evidence in answer.

Each of these conditions are reasonable. Accordingly I direction that Darrell Lea may use evidence adduced in the passing off proceedings in the present oppositions, so long as conditions (a), (b) and (c) above are complied with.

32. The only directions which require substantive consideration are directions (1) and (2), which concern the central issues of this application — the suspension of the oppositions.
33. Regulation 5.16 of the *Trade Marks Regulations 1995* ('the *Trade Marks Regulations*') provides:

5.16 Conduct of opposition proceedings generally

- (1) The Registrar may, at the request of a party to the opposition proceedings or on the initiative of the Registrar, give a direction in relation to the procedure in the proceedings.
- (2) A direction given under subregulation (1) must not be inconsistent with these regulations.
- (3) The Registrar must not give a direction unless the Registrar:
 - (a) is reasonably satisfied that the parties to the proceedings have been notified of the proposed direction; and
 - (b) has given the parties a reasonable opportunity to make representations concerning the proposed direction; and
 - (c) is reasonably satisfied that the proposed direction is appropriate.
- (4) For the purposes of paragraph (3) (b), the representations may be made in writing or at hearing or by such other means as the Registrar reasonably allows.

Direction (2)

34. The language of regulation 5.16 generally, and subregulation 5.16 (1) specifically, concerns opposition proceedings alone. The regulation is found in Part 5 of the *Trade Marks Regulations*, entitled 'Opposition to Registration'. It follows that subregulation 5.16 does not empower the Registrar to suspend trade mark applications which have not reached the opposition process. Darrell Lea has not suggested, nor have I located, any power under either the *Trade Marks Act* or the *Trade Mark Regulations* which would permit me to suspend the further applications.

35. I am therefore unable to grant direction (2). The suspension of any of the further applications is a question which must be determined if and when those applications have been accepted, published in the *Official Journal of Trade Marks*, and opposed by Darrell Lea. To the extent the remainder of this decision is relevant when any further suspension applications are sought, I would expect those applications to be guided by this decision. However, to grant a suspension in relation to any of the further applications at this point is both improper and premature.

Direction (1)

36. The remaining question requiring determination is whether direction (1) should be granted based on the application of regulation 5.16. The Registrar has previously suspended opposition proceedings under this regulation. In *FKP Sojuzpodoimport v Spirits International NV*⁴ Hearing Officer Williams elaborated on suspending proceedings where the question of suspension is in dispute. He said:

it is necessary ... to take into account the balance of convenience as between the parties. Regard must also be had to administrative convenience and to the public interest. The latter will tend to lie with the efficient running of the intellectual property system, as manifested both at the Trade Marks Office and in the Courts, though regard may also need to be had to the interests of third parties (if any).

37. I also note the comments of Hearing Officer Thompson in *Outrigger Hotels Hawaii v Evangelista Pty Ltd*⁵:

I am, in considering the issue of the possible suspension of this application from the opposition, to balance and reasonably consider the interests of the parties; the most expeditious way of running the hearing of the substantive issue when it comes on before a delegate of the registrar; and the public interests which includes the efficiency of the courts, the maintenance of the Trade Marks Register and the interests of any third parties ... it is clear that I should primarily consider what direction is reasonable in the particular circumstances of this issue.

38. The balance of convenience between Darrell Lea and Cadbury requires an examination of the degree to which the proceedings (both the Federal Court opposition and the passing off proceeding) are relevant to the determination of the present oppositions.⁶ As accepted by both parties, the crucial issue in the present

⁴ [2007] ATMO 42

⁵ (2000) 49 IPR 164, 172

⁶ *Beyond Properties Pty Ltd v Andrew Knight* [2006] ATMO 87, [16] (Hearing Officer Thompson).

oppositions is whether the applicant's trade marks had acquired factual distinctiveness by the priority date (23 June 2006 for all applications). It is necessary to consider the degree to which both the Federal Court opposition and the passing off proceeding may assist the resolution of this issue before the Registrar.

The Federal Court Opposition:

39. As noted previously, one of the central questions before the Federal Court in the Federal Court opposition is whether, and in respect of which goods, trade mark application 779336 had acquired factual distinctiveness pursuant to section 41(6) of the *Trade Marks Act* by 25 November 1998.

40. The details of trade mark application 779336 are as follows:

Trade Mark No:	779336
Owner:	Cadbury Limited
Priority Date:	25 November 1998
Goods:	Chocolate (Class 30)
Trade Mark:	CO: ENDORSEMENT ONLY; PURPLE
Endorsements:	The trade mark is the colour PURPLE depicted in the representations attached to the application form used as the substantial colour of packaging in relation to the nominated goods.* Provisions of subsection 41(6) applied.*
Trade Mark:	CO: ENDORSEMENT ONLY; PURPLE (8 REPS IN A SERIES)

41. I note that there are minor differences between the actual trade mark of application 779336 and the trade marks depicted in applications 1120614, 1120615 and 1120621. Application 779336 relates to a series of shades of purple, whereas applications 1120614, 1120615 and 1120621 each relate to a discrete shade of purple, as described in the relevant endorsement. I further note that there is a question before the Federal Court concerning the registrability of a series of colours.

42. Despite these issues, the Federal Court may make determinations which will be relevant, if not determinative, of the present applications. A finding that trade mark application 779336 was factually distinctive of Cadbury by 25 November 1998 would influence any decision regarding the factual distinctiveness of trade marks 1120614, 1120615 and 1120621. As acknowledged by Mr Golvan, it is unlikely the colour purple would have become less distinctive of Cadbury's goods in the period between 25 November 1998 and 23 June 2006.

43. Darrell Lea has given an undertaking to abandon the present oppositions in the following terms:

Darrell Lea does hereby undertake on an open basis that it will abandon its oppositions to the Cadbury Trade Mark Application Nos 1120614, 1120615 and 1120621 if:

- (a) Darrell Lea's appeal in the Trade Mark Proceeding [referred to as the Federal Court opposition in this decision] fails;
- (b) Cadbury's cross-appeal succeeds; and
- (c) the Court makes the orders presently sought by Cadbury on its cross-appeal.

The undertaking is given subject to the exhaustion of any rights of appeal from the decision in the Trade Mark Proceeding.

44. I understand from Cadbury's submissions in reply that it regards this as a very limited undertaking. While I agree with Cadbury's submission in this respect, the undertaking demonstrates that the Federal Court opposition can materially affect the outcome of the present oppositions.
45. However, final determination of the Federal Court opposition may contribute little or nothing to the resolution of the present oppositions. A finding that trade mark 779336 was not factually distinctive in 25 November 1998 would only be of limited value in the present oppositions. The gap of approximately 8 years between the relevant priority dates is sufficiently large to permit a different factual determination regarding factual distinctiveness in 2006 than was the case in 1998.
46. I also note that the nature of Darrell Lea's appeal from the decision of this office leaves open the possibility that trade mark 779336 may be found to be unregistrable without the issue of factual distinctiveness arising.
47. While there is a prospect that the Federal Court opposition will resolve issues which would require determination in the present oppositions, it is also possible that the Federal Court opposition will not provide any guidance whatsoever in determining the present oppositions.
48. It is unclear when the Federal Court opposition would be finally resolved. Both parties accept that a hearing on this matter is unlikely to take place until the latter half of 2008. The final resolution of the Federal Court opposition may be subject to a further appeal. As Cadbury notes, it may be many years before this matter is finally

determined. A suspension of the present oppositions pending the outcome of the Federal Court opposition may deny Cadbury the benefits which flow from trade mark registration.⁷

49. The prospect of a considerable delay in determining the present oppositions, pending the outcome of proceedings in the Federal Court, which may not assist the Registrar in determining the present oppositions, tips the balance of convenience in favour of Cadbury. I am not satisfied that the Federal Court opposition warrants a suspension of the present oppositions.

The Passing Off Proceeding:

50. A history of the passing off proceeding, as I understand it, is outlined in the following table:

Citation	Summary
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd</i> [2006] FCA 363	Expert evidence of Dr Gibbs excluded based on operation of s 79 (or in the alternative s 135) of the <i>Evidence Act 1995</i> (Cth).
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 2)</i> [2006] FCA 364	Affidavit evidence of Ms Shelton, which included a chocolate sensory study held to be admissible evidence.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 3)</i> [2006] FCA 386	A variety of market research documents were found admissible, but only insofar as they could be used for a non-hearsay purpose.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 4)</i> [2006] FCA 446	The substantive decision of Heerey J upon the issue of passing off. Held there was no passing off or breach of the <i>Trade Practices Act</i>
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 5)</i> [2006] FCA 850	A decision concerning the award of costs resulting from the decision in [2006] FCA 446.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd</i> [2007] FCAFC 70	An appeal from the substantive decision in [2006] FCA 446. The principle question concerned the exclusion of expert evidence. Held the relevant evidence should have been admitted (also overturning [2006] FCA 363 and [2006] FCA 850). Matter remitted to Heerey J for a further hearing.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd</i> [2007] FCAFC 102	An amplification of [2007] FCAFC 70, emphasizing that the matter was to be remitted to Heerey J for a further hearing, as if the ruling in [2006] FCA 446 had not been made. It was for Heerey J to determine whether a new trial was required.

⁷ *Silhouette International Schmied AG v Australian Ophthalmic Supplies Pty Ltd* (2001) 54 IPR 590, 595 (Hearing Officer Williams).

<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 5)</i> [2007] FCA 1245	Motion requesting Heerey J to excuse himself based on apprehended bias. Held there was no apprehended bias.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd (No 3)</i> [2007] FCAFC 119	Decision concerning costs arising from the substantive appeal judgment [2007] FCAFC 70.
<i>Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd</i> [2007] HCATrans 468	Special leave to appeal from the appeal judgment [2007] FCAFC 70 refused by the High Court.

51. I understand that leave to appeal the decision of Heerey J in relation to his judgment in [2007] FCA 1245 was granted by Goldberg J on 28 August 2007. I also understand that the leave to appeal from that decision was revoked by Black CJ, Emmett and Middleton JJ on 2 November 2007.
52. It appears that the next stage in this proceeding will be mediation, followed by further hearing before Heerey J if required. It appears the passing off proceedings have a greater prospect of being resolved in the near future than the Federal Court opposition. A suspension pending the outcome of the further hearing before Heerey J would not prejudice the interests of Cadbury as severely as a suspension pending resolution of the Federal Court opposition.
53. However, for the balance of convenience to favour suspending the present oppositions pending resolution of the passing off proceedings, it must be clear that those proceedings would assist the Registrar in determining the present oppositions.
54. Cadbury noted that the determination of the passing off proceedings would not create any issue estoppel relevant to the determination of the present oppositions. I accept this submission, and Cadbury's submissions concerning critical differences between the passing off proceedings and the present oppositions (summarised above at paragraph [18]).
55. Nevertheless, I must agree with the submission of Darrell Lea. Despite the differences between the passing off proceedings and the present oppositions, the trial judge will be required to 'enquire into and make findings in relation to the repute of Cadbury in

the colour purple.’ The causes of action before the Federal Court are ‘founded on reputation and goodwill, both of which in turn are direct products of use.’⁸

56. The determination of passing off or breach of the *Trade Practices Act* would not bind the Registrar in the determination of the present oppositions. However, the trial judge must investigate the reputation of Cadbury in the colour purple. This enquiry necessitates an investigation into similar evidence which would be useful in establishing factual distinctiveness for section 41(6) of the *Trade Marks Act*.
57. While no issue estoppel will arise from the resolution of the passing off proceeding, I find the following statement of Hearing Officer Thompson in *Beyond Properties Pty Ltd v Andrew Knight*⁹ a useful guide vis-à-vis the relevance of the passing off proceeding:

That is not to say the Federal Court will effectively decide the matter before the Registrar, it is to say that the two sets of proceedings have evidence in common and that where the Federal Court has made findings of fact and law on evidence before it which is related to proceedings before the Registrar, it is most unlikely that the Registrar would depart from those findings.

58. Hearing Officer Thompson found that issues pertaining to first use and reputation of the trade mark “MYTHBUSTERS” explored in the relevant court proceedings — though not relevant to the registrability of the trade mark *per se* — did relate to the cited grounds of opposition under sections 42 and 58 of the *Trade Marks Act*.
59. In much the same manner the discussion of reputation in the colour purple in the passing off proceeding is likely to assist the Registrar in determining whether the trade marks of applications 1120614, 1120615 and 1120621 had acquired factual distinctiveness under section 41(6) of the *Trade Marks Act*. Findings of fact made by the Federal Court will be based on more extensive material, and better tested evidence than that available to the Registrar.¹⁰

⁸ *Outrigger Hotels Hawaii v Evangelista Pty Ltd* (2000) 49 IPR 164, 169 (Hearing Officer Thompson).

⁹ [2006] ATMO 87, [16]

¹⁰ *Outrigger Hotels Hawaii v Evangelista Pty Ltd* (2000) 49 IPR 164, 169, 172 (Hearing Officer Thompson); *FKP Sojuzpodoimport v Spirits International NV* [2007] ATMO 42, [15] (Hearing Officer Williams); *Unilever Plc v Cadbury Ltd* (2001) 54 IPR 537, 544 (Hearing Officer Thompson).

60. The decision of the Federal Court in the passing off proceeding will involve an examination of factual issues which are relevant to the present oppositions. Based on my understanding of the progress of the passing off proceeding, and my observation that the present oppositions are still at the evidence-in-support stage, I conclude that there is not a sufficient likelihood that the Court proceedings will entail a significant delay over and above the potential delays which may arise in the present oppositions.¹¹ This conclusion tells against the prejudice to Cadbury observed in respect of the Federal Court opposition proceeding and swings the balance of convenience in favour of Darrell Lea.
61. The public interest in the efficient administration of the trade mark register also favours Darrell Lea. A suspension pending the outcome of the passing off proceeding will avoid duplication in the decision making process, and will reduce the chance of inconsistent fact finding resulting from the analysis of similar evidence.
62. Both parties made submissions concerning the interests of third parties. It does not appear that any significant third party interest cautions against suspending the present oppositions.
63. On these bases I am satisfied the balance of convenience favours a suspension of the present oppositions pending the outcome of the passing off proceedings.

Decision

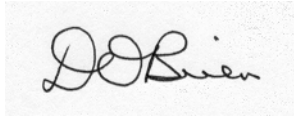
64. I direct that the present oppositions be suspended until the Federal Court decision in the passing off proceeding is handed down. If there is no appeal from that decision, the present oppositions shall be lifted from suspension, and further directions given such that the opposition will continue through the evidence stages in accordance with normal practice and procedure.

Costs

65. Both parties sought their costs in relation to this matter. Darrell Lea has succeeded in its application, but only in relation to the passing off proceeding. Having noted the late stage at which Cadbury was informed of the relevance of this proceeding, I am

¹¹ *FKP Sojuzpodoimport v Spirits International NV* [2007] ATMO 42, [38] (Hearing Officer Williams).

not satisfied it is reasonable to award costs against Cadbury. Accordingly, I direct that each party bear its own costs in relation to this matter.

A handwritten signature in black ink, appearing to read "D O'Brien", is enclosed in a light grey rectangular box.

Deirdre O'Brien
Hearing Officer
Trade Marks Hearings
15 January 2008