

Yike Ma

Trade Marks Attorney

Melbourne, Australia

+61 433 920 768 (from overseas)

0433 920 768 (inside Australia)

ma@yike.com.au



Deceptively Similar: Apple Successfully Opposed Registration of “iFonline” for VOIP Services in Australia

Apple Inc (“Apple”) has successfully opposed an application for registration of “iFonline” for VOIP services. The decision is noteworthy because Clear Marketing Australia Pty Ltd (“Clear”) had a misunderstanding regarding the operation of [section 44](#) of the *Trade Marks Act 1995* and it is important for business owners to understand [section 44](#) when creating a new brand. In the following, *section XX* refers to a section in the Australian *Trade Marks Act 1995*.

The Application

On 20 August 2009, Clear, a company incorporated on 15 June 2009 and based in Melbourne, applied for registration of a composite mark (see below) (“iFonline”) for VOIP (voice over Internet protocol) services in class 38. The application was accepted. Apple opposed the application.



Apple’s grounds of opposition

Apple pressed four grounds during the hearing, including:

- due to the existence of the trade mark IPHONE registered by Apple in Australia and the reputation of the IPHONE mark, registration of iFonline would be likely to deceive or cause confusion as per [section 43](#);
- iFonline was deceptively similar to the IPHONE mark owned by Apple as per [section 44](#);

- iFonline was similar to IPHONE, which had acquired a reputation in Australia as per [section 60](#); and
- the Application by Clear was made in bad faith as per [section 62A](#).

The Hearing Officer found that it was only necessary to address Apple’s [section 44](#) ground in the decision. To succeed on this ground, Apple needed to show that:

- the services covered by iFonline were similar to those covered by IPHONE in class 38; and
- iFonline was deceptively similar to IPHONE.

Similarity of services

In support of its [section 44](#) ground, Apple relied on four registrations, of which registration 1186456 IPHONE in class 38 was found relevant by the Hearing Officer. The class 38 specification covered a wide range of services, including telecommunication access services; communication by computer; provision of telecommunications connections to the Internet; electronic transmission of streamed audio files via computer and other communications networks; etc.

The Hearing Officer found Clear had a fundamental misunderstanding in respect of the scope of Apple’s relevant rights to the trade mark IPHONE. Contrary to what Clear believed, Apple was entitled to all the services specified in

registration 1186456, rather than just mobile digital devices. The Hearing Officer agreed that VOIP services were included in the services covered by registration 1186456 (IPHONE) in class 38.

Similarity of marks

The Hearing Officer identified the following legal principles applicable:

- marks may be deceptively similar even though the confusion is unlikely to persist up to the point of and induce the sale of the products bearing the marks;
- all surrounding circumstances must be taken into account, including imperfect recollections of consumers, how the products would be bought and sold, and the consideration that people do not often read words carefully; and
- the fame of a mark in respect of assessing deceptive similarity should be limited to assessing its possible impact on consumers’ imperfect recollection.

Applying this approach, on 19 October 2012, the Hearing Officer found that iFonline was deceptively similar to IPHONE as:

- iFonline considered aurally, wholly incorporated the IPHONE mark;
- the suffix “line” and the stylized letter “o” were insufficient to distinguish iFonline from IPHONE; and
- Cleaar was aware of the extreme closeness of the marks when it sought registration of iFonline, but relying on the false belief that Apple may not have had sufficient rights to the IPHONE trade mark in Australia.

Cleaar is allowed to file an appeal with the Federal Court of Australia against the decision. It is unclear whether an appeal has been filed.

The noteworthy aspects of this case

It is evident that Cleaar had a fundamental misunderstanding regarding the operation of

[section 44](#). Cleaar believed that the scope of Apple’s entitlement to the IPHONE trade mark was limited to mobile digital devices. This was clear from the evidence submitted by Cleaar:

- “[s]ince inception, iFonline has been promoted as an internet telephone service and not in any way promoted as a brand of a mobile digital device”; and
- for the above reason, “it is without ground to assume that use of [the] iFonline trade mark would be likely to deceive or cause confusion”.

The Hearing Officer found that Cleaar’s belief wholly ignored the services covered by registration 1186456 and had no valid justification.

Lessons for brand owners

- Always check the Trade Marks Register for prior registered marks or pending marks before adopting a brand name or logo.
- Once a trade mark is registered, the owner is entitled to exclusive rights to use the registered mark in respect of all the goods and/services covered by the registration. Whether the registered trade mark has acquired a reputation in the marketplace for such goods and/or services is irrelevant.
- The aural similarity of two trade marks can play a key role in assessing deceptive similarity.

Sources of Information:

Apple Inc. v Cleaar Marketing Australia Pty Ltd
[\[2012\] ATMO 94](#) (19 October 2012)

Copyright © Yike Ma