

Article Information

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Agency Group Australia Ltd v H.A.S. Real Estate Pty Ltd - Limitations of Enforcing Composite Trade Marks

The recent Full Court decision of *Agency Group Australia Ltd v H.A.S. Real Estate Pty Ltd* [2023] FCAFC 203 is a prime example of the limitations of enforcing a composite trade mark of an otherwise descriptive trade mark.

Background & Material Facts

The first appellant, The Agency Group Australia Limited (**The Agency Group**), ‘carries on a real estate business providing services in residential sales, project marketing, property management, and finance to customers across Australia.’^[1] The second appellant, Ausnet Real Estate Services Pty Ltd (**Ausnet**), and third appellant, The Agency Sales NSW Pty Ltd, are subsidiaries of The Agency Group.^[2]

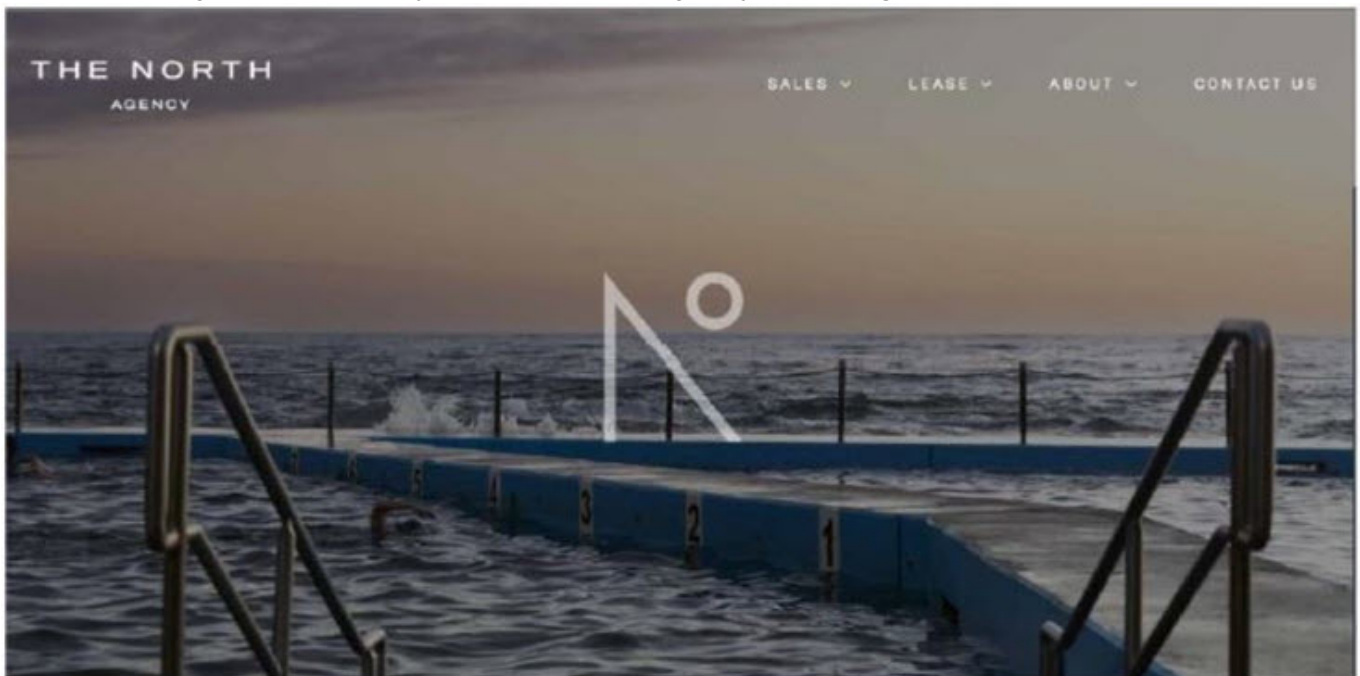
Ausnet owns the following registered trade marks, which are registered in relation to a range of real estate services in Class 36:^[3]

No.	Mark	Priority Date
		
1836914	 (AGENCY Mark)	06 April 2017

1877216

02 October
2017

The respondent, H.A.S. Real Estate Pty Ltd (**H.A.S.**), also conducts a real estate business which commenced operation in March 2023 under the name THE NORTH AGENCY.^[4] H.A.S. adopted a stylised version of the name THE NORTH AGENCY and a logo comprised of a stylised letter N and a degree symbol (**N Logo**) for its business, as shown below:^[5]



The appellants alleged that H.A.S.'s use of THE NORTH AGENCY infringed the AGENCY Mark and that its use of the N Logo infringed the Logo Mark, pursuant to section 120(1) of the *Trade Marks Act 1995* (Cth) (**TMA**).^[6]

The primary judge held that H.A.S. had used THE NORTH AGENCY and the N Logo as trade marks, but THE NORTH AGENCY was not deceptively similar to the AGENCY Mark nor was the N Logo deceptively similar to the Logo Mark.^[7]

The appellants appealed the primary judge's ruling that THE NORTH AGENCY was not deceptively similar to the AGENCY Mark under the following grounds:

1. The primary judge erred by attributing a "*perfect photographic recollection*" of the AGENCY Mark to the notional consumer (**Ground 1**);
2. The primary judge did not focus on the question of whether there is a real risk that a number of consumers with imperfect recollection of the AGENCY Mark would confuse that mark with THE NORTH AGENCY (**Ground 2**);
3. The primary judge discounted the words "THE AGENCY" and the stylised "A" in the AGENCY Mark as being descriptive and common in the trade (**Ground 3**);
4. The primary judge erred in identifying the word "NORTH" as the distinctive feature of THE NORTH AGENCY (**Ground 4**);
5. The primary judge erred by excluding any risk of confusion arising from the aural use of the AGENCY Mark and THE NORTH AGENCY (**Ground 5**); and
6. The primary judge erred by rejecting any risk than an ordinary consumer might wonder whether the services provided by THE NORTH AGENCY might be a commercial extension, franchise or sub-brand of the owner of the

Findings

In a unanimous judgment, the Full Court rejected the appeal.

Scope of the Registered Mark & The Notional Acquirer

The Court highlighted that, in order to determine infringement under section 120(1) of the TMA, it is fundamental to understand the *scope* of the registered mark.[\[9\]](#) In this case, the exclusive right of Ausnet to use the AGENCY Mark in respect of the designated services was the exclusive right to use the words “THE AGENCY” represented in the particular stylised form of the mark as it was registered, rather than the right to use the words on their own.[\[10\]](#) The Court held that *‘to ignore the significance of the particular stylised form of the AGENCY Mark would be to extend its scope well beyond the monopoly’* granted by registration of the mark.[\[11\]](#)

The Court reiterated the High Court’s decision in *Self Care* that the question of infringement is *‘answered objectively by reference to a construct’*; that is, on the basis that the notional acquirer of the goods or services has knowledge of the trade mark *“as registered”*.[\[12\]](#) Therefore, the intending acquirer of the designated services must know, but may have an imperfect recollection of, the particular stylised form of the AGENCY Mark.[\[13\]](#)

The Court did not accept that the primary judge attributed a *“perfect photographic recollection”* of the AGENCY Mark to the notional consumer, as asserted by the appellants under Ground 1.[\[14\]](#) The Court criticised the appellants for turning a blind eye to the specific rendering of the AGENCY Mark and for placing significance only on the words of the mark.[\[15\]](#) The Court held that the primary judge’s analysis of the significance of the stylised representation of the “A” *‘was entirely in accord with orthodox principles of trade mark comparison’* and that the primary judge did not err in finding that the ordinary consumer would not fail to recall that element of the mark.[\[16\]](#)

Further, the Court did not accept the appellants’ contentions under Ground 2 that the primary judge’s reference to *“an unwarranted monopoly”* showed that the primary judge *“distracted himself”* from the question of whether, as a trade mark, THE NORTH AGENCY was deceptively similar to the AGENCY Mark.[\[17\]](#)

The Court pointed out that such reference by the primary judge must be seen in the context of the whole of the analysis, and that the primary judge *“was doing no more than reflecting on the precise scope of the AGENCY Mark as a composite mark, rather than as a word mark (a broader form of registration).”*[\[18\]](#)

The Court also rejected the appellants’ claims under Ground 3, noting that the assertions that the primary judge discounted the significance of the stylised “A” as being descriptive and common in the trade contradicted the assertions under Ground 1 where the appellants downplayed the significance of the stylised “A”.[\[19\]](#)

Despite these contradictions, the Court held that *‘the primary judge was doing no more than analysing the AGENCY Mark and determining the scope of its registration’*, and that the primary judge relied on the stylised “A” of the AGENCY Mark, an element common in the brands of other suppliers, to distinguish THE NORTH AGENCY from the AGENCY Mark.[\[20\]](#) Analysing whether elements were common in the brands of other suppliers of the designated services did not *“strip”* the AGENCY Mark of its features.[\[21\]](#)

Aural Resemblance

The Court did not accept the appellants’ contentions under Ground 5 that the primary judge erred by excluding any risk of confusion arising from the aural sound of the AGENCY Mark and THE NORTH AGENCY.[\[22\]](#)

It is well known that, when assessing *“deceptive similarity”* for the purposes of section 120 infringement, the *“similarities in sound and meaning may play an important part”* in comparing the two trade marks.[\[23\]](#)

The Court highlighted that the primary judge had in fact considered aural use of the marks and found that “NORTH” was just as striking in its spoken form as in its written form, which therefore pointed strongly against any real likelihood of confusion by consumers.[\[24\]](#) The trial judge had also not considered the aural resemblance as being a *“matter of particular significance”*, and had weighed that significance against the significance of the visual use of a real estate agency’s name in providing the designated services.[\[25\]](#)

The Court cautioned that aural use of such marks could not be given equal or greater significance than its visual form, as to do so would be to ignore the *‘boundaries fixed by the visual form of the mark’* and confer *“an unwarranted monopoly in the simple use of descriptive words in relation to the designated goods or services.”*[\[26\]](#)

Process of Judicial Estimation

The Court held that the question of infringement under section 120(1) of the TMA is a process of “*judicial estimation*” which involves an element of subjectiveness.^[27] The Court reiterated that the threshold for appellate intervention is the demonstration of error by the primary judge and held that it cannot be an appealable error to point to the possibility that others might reach a different conclusion to the primary judge.^[28]

Therefore, the Court found that the appellants’ assertions under Grounds 4 and 6 were simply disagreements with the primary judge’s analysis and that no appealable error was demonstrated.^[29]

Takeaways

This case emphasises that an owner’s exclusive right to use a trade mark is limited to the particular form of the mark that has been registered. It is important for trade mark owners to consider the precise scope of their registered mark before pursuing infringement for deceptive similarity. Trade marks which incorporate composite forms, such as in a stylised form, may be more difficult to enforce than those in a straight word mark.

Piper Alderman has a nationally recognised practice in intellectual property enforcement and protection, with experience in all jurisdictions. Please contact Tim O’Callaghan and his team if you require intellectual property advice.

^[1] *Agency Group Australia Ltd v H.A.S. Real Estate Pty Ltd* [2023] FCAFC 203 [7] (“*Agency Group v H.A.S. Real Estate*”).

^[2] *Ibid* [6].

^[3] *Ibid* [8].

^[4] *Ibid* [11].

^[5] *Ibid*.

^[6] *Ibid* [13].

^[7] *Ibid* [14].

^[8] *Ibid* [38]-[52].

^[9] *Ibid* [55].

^[10] *Ibid* [56].

^[11] *Ibid* [56] citing *Australian Meat Group Pty Ltd v JBS Australia Pty Ltd* [2018] FCAFC 207 [78].

^[12] *Ibid* [57] citing *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* [2023] HCA 8.

^[13] *Ibid* [61].

^[14] *Ibid* [74].

^[15] *Ibid* [81].

^[16] *Ibid* [86].

^[17] *Ibid* [88].

^[18] *Ibid* [89].

^[19] *Ibid* [91].

^[20] *Ibid* [96].

^[21] *Ibid*.

^[22] *Ibid* [98].

^[23] *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641, 658.

[\[24\]](#) *Agency Group v H.A.S. Real Estate* (n 1) [100].

[\[25\]](#) *Ibid* [102].

[\[26\]](#) *Ibid* [104].

[\[27\]](#) *Ibid* [62].

[\[28\]](#) *Ibid* [62], [71].

[\[29\]](#) *Ibid* [97], [105].