Article Information

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Cantarella Bros Pty Ltd v Lavazza Australia Pty Ltd – How to determine "ordinary signification"

The recent decision of *Cantarella Bros Pty Ltd v Lavazza Australia Pty Ltd (No 3)* [2023] FCA 1258 considers the proper interpretation of the test to determine whether a trade mark holds an "ordinary signification" for members of the public, particularly foreign words.

Facts

The applicant, Cantarella Bros Pty Ltd (**Cantarella**) owned two registered trade marks of the word ORO in class 30 for "coffee; beverages made with a base of coffee, espresso; ready-to-drink coffee; coffee based beverages" (collectively, **ORO Marks**).[1]

Cantarella sued Lavazza Australia Pty Ltd and Lavazza Australia OCS Pty Ltd (collectively, **Lavazza**), alleging that Lavazza infringed the ORO Marks.

Cantarella submitted that Lavazza used the Italian word "oro" as a trade mark in relation to coffee, and that this word was substantially identical to the ORO Marks.[2]

Lavazza cross-claimed that the ORO Marks were not validly registered, seeking orders that they be cancelled because:

> The ORO Marks were not inherently adapted to distinguish Cantarella's goods from the goods of other persons; and
>
> Cantarella was not the owner in Australia of the ORO word mark in respect of coffee.[3]

Issues

The main issues that were required to be considered by the Court were:

> Did Lavazza use the word "oro" as a trade mark?
>
> Were the ORO Marks capable of distinguishing Cantarella's goods from the goods of other traders?
>
> Was Cantarella the owner of the ORO Marks because it was the first person to use, in Australia, those trade marks in respect of coffee?

Findings

Infringement

Yates J found that Lavazza had used the word "oro" as a trade mark on its 2016, 2019 and NCCC Product Packaging.[4]

Lavazza argued that the use of the word "oro" on its packaging was descriptive of the quality of the coffee and that "qualità oro" played a subsidiary role to the "dominant and distinctive LAVAZZA brand".[5] His Honour reiterated the principle that 'the use of a word … in relation to goods or services may function as a trade mark whilst nevertheless having a descriptive element'.[6] Additionally, his Honour held that there may be more than one sign which serves to distinguish

for trade mark purposes, citing *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd*, where it was found that the word CAPLETS on the packaging of PANADOL and PANADEINE products was found to function as an independent trade mark.[7]

His Honour also found that the location and depiction of the word "oro" on the packaging rendered the word as one of the dominating features of the packaging, functioning independently from the words "LAVAZZA" and "qualità".[8]

Given the above, the Court considered that Lavazza had infringed Cantarella's ORO Marks.

Invalidity: No Capacity to Distinguish

Yates J found that Lavazza had not established that the word "oro" was not capable of distinguishing Cantarella's goods from the goods of other persons so as to make the ORO Marks invalid.

When determining whether a trade mark is inherently adapted to distinguish the goods of one trader from another, the Court must determine:

> whether the trade mark holds an "ordinary signification" to those who would purchase, consumer or trade in the claimed goods or services; and
>
> then, having determined the "ordinary signification", the likelihood of the mark being desired for use by other traders in the ordinary course of business, without improper motive, upon or in connexion with their goods or services.[9]

His Honour referred to the High Court authority of *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48, where the High Court had 'rejected the notion that a word mark will not be inherently adapted to distinguish simply because it is likely that other traders might legitimately desire to use the word in connection with their own goods.'[10]

His Honour found that the word "oro" did not have an "ordinary signification" in Australia and, as at the filing dates of the ORO Marks, the Australian public at large would not have understood that the word "oro" meant gold or of premium quality when used in relation to the registered goods.[11] In determining whether a word holds an "ordinary signification", his Honour noted that the word must have a "common heritage" as a word that extends generally throughout the community, not merely some part of it.[12] A word will have an "ordinary signification" if it has been received into Australian English and has a commonly understood and commonly shared meaning by ordinary members through the Australian community *at large*.[13]

While Lavazza argued that LAVAZZA QUALITA ORO had a significant reputation in Australia and it had used the word "gold" as a translation of "oro",[14] Yates J rejected this proposition and stated that, where "gold" was used to describe LAVAZZA QUALITA ORO, it was more likely than not that it had been used to describe the product by reference to its gold packaging.[15]

Further, where Lavazza had specifically translated "oro" as "gold", this was an indication that "oro" did not have a commonly understood and commonly shared meaning by ordinary members of the Australian community at large.[16]

Invalidity: Ownership

However, Yates J also found that the ORO Marks were invalid as there had been prior use of the word "oro" as a trade mark.

In finding prior use, his Honour held that a 'challenge in relation to ownership must be based on the prior use of the word "oro" itself as a trade mark, or at least a mark that is substantially identical to "oro".[17] Additionally, a prior and defeating use need not be use of the mark on the goods themselves and 'it may be sufficient that the prior use be in correspondence, invoices, shipping documents, brochures, and similar documents, in relation to the goods.'[18]

Lavazza submitted two broad strands of evidence of use, one being in newspaper advertising and on invoices for LAVAZZA QUALITA ORO coffee supplied in Australia and the other being on invoices for as well as the packaging of CAFFE MOLINARO ORO coffee supplied in Australia, both prior to Cantarella's first use of the ORO Marks on 20 August 1996.[19]

Yates J was not satisfied that advertisements or the invoices for LAVAZZA QUALITA ORO used "oro" as a trade mark. His Honour found that the word was not functioning as a discrete or independent use of the word as a badge of origin, rather it served simply as a description of the product type.[20] His Honour held that this was 'no more than an idiosyncratic use by an independent trader'.[21]

By contrast, his Honour found that the trader Caffè Molinari SpA (**Molinari**) had used the word "oro" as a trade mark in

Australia prior to Cantarella's first use of the ORO Marks. Molinari used the word "oro" as a trade mark on 3kg packs of CAFFE MOLINARI ORO coffee that were found to have been supplied to CMS Coffee Machine Services Pty Ltd under invoices dated 18 September 1995, 17 October 1995 and 26 March 1996.[22] The packaging appeared as follows:

In arriving at this conclusion, his Honour had 'regard to the size, colour, positioning, and prominence of the word "oro" on the packaging in relation to the other packaging elements', and found that use of the word "oro" on the packaging was 'as conspicuous as the other trade mark used – CAFFÈ MOLINARI.'[23]

His Honour considered the discretion of the court not to cancel the registration of a trade conferred by s 588(1) of the Act, but ultimately found that allowing the registrations to stand would not be in the public interest.[24]

In doing so, his Honour held that other traders should not be concerned at the prospect that these registrations might be used by Cantarella to inhibit their trading activities, as had happened in the present case.[25]

Therefore, Yates J was satisfied that the registrations of the ORO Marks should be cancelled**.**

Conclusion

This decision clarifies the position that a trade mark will not be capable of distinguishing goods where it has been received into the "common heritage" of the Australian English language and has a commonly understood and shared meaning by ordinary members of the Australian community at large.

It also highlights the importance for trade mark applicants to ensure they are the first users of the mark they are seeking to register. Prior use of the mark by one trader as a badge of origin in respect of the same or similar goods or services may be enough to prevent registration of that trade mark by other traders.

Piper Alderman has a nationally recognised intellectual property practice and has experience in representing clients in intellectual property matters in all Australian jurisdictions.

[1] *Cantarella Bros Pty Ltd v Lavazza Australia Pty Ltd (No 3)* [2023] FCA 1258 [1] ('*Cantarella Bros v Lavazza*').

[2] Ibid [351].

[3] Ibid [4].

[4] *Cantarella Bros v Lavazza* (n 1) [382].

[5] Ibid [372], [368].

[6] Ibid [343] citing *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326, 347-8; *Woolworths Ltd v BP plc (No 2)* [2006] FCAFC 132 [77]; *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* [2023] HCA 8 [25].

[7] Ibid [347] citing *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326, 352-3.

[8] Ibid [375]-[376].

[9] *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511; *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48, [71] (French CJ, Hayne, Crennan and Kiefel JJ).

[10] *Cantarella Bros v Lavazza* (n 1) [414].

[11] Ibid [460].

[12] Ibid [420] – [421].

[13] Ibid [424].

[14] Ibid [465].

[15] Ibid [466].

[16] Ibid [467].

[17] Ibid [499].

[18] Ibid [498].

[19] Ibid [500].

[20] Ibid [553].

[21] Ibid.

[22] Ibid [573].

[23] Ibid [574].

[24] Ibid [594]-[602].

[25] Ibid [597].