IN THE COURT OF APPEAL, FIJI

[On Appeal from the High Court]

CIVIL APPEAL NO. ABU 030 OF 2023 [Lautoka Civil Action No. HBM 065 of 2020]

<u>BETWEEN</u>: <u>GLASS & MIRROR (FIJI) PTE LIMITED</u>

Appellant

<u>AND</u>: <u>THE ATTORNEY GENERAL OF FIJI</u>

Respondent

<u>Coram</u>: Jitoko, P

Qetaki, JA Morgan, JA

Counsel : Mr. N. R. Padarath for the Appellant

Mr. J. Mainavolau for the Respondent

<u>Date of Hearing</u>: 05 July 2024 <u>Date of Judgment</u>: 26 July 2024

JUDGMENT

Jitoko, P

[1] I concur in the outcome of this appeal, the reasons given and the orders made.

Qetaki, JA

[2] I have considered the Judgment of Hon. Morgan, JA in draft and I agree with it, the reasons and the orders.

Morgan, JA

Introduction

- [3] This is an appeal against a Judgment of Justice A. M. Mohammed Mackie ("the Judge") delivered in the High Court at Lautoka on the 7th March, 2023. The appeal seeks an order that the orders of the Judge in that matter be wholly set aside and revoked and that this Court order a trial and/or any other orders it deems just and expedient with costs.
- [4] The matter in the High Court involved an appeal by the Appellant against a decision of the Fiji Intellectual Property Office (FIPO), the Respondent to refuse the registration of an application by the Appellant for a Trademark. In that matter the Judge made the following orders:
 - a. The appeal is dismissed.
 - b. The decision of the Fiji Intellectual Property Office, to refuse the registration of the Trademark in question, is upheld.
 - c. The Respondent is entitled to a sum of \$750.00 from the Appellant being the summarily assessed costs.
 - d. The costs shall be paid within 28 days from 7th March 2023.
- [5] The Appellant appeals to this Court against those orders on the following grounds:-
 - 1. The learned trial Judge erred in law in holding that the reasons for refusal of the trademark given by the respondent in a letter dated 6 November 2020 was adequate and therefore failed to hold that such reasons were inadequate when rules of natural justice require that reasons should be given for any decision.
 - 2. The learned trial Judge erred in law in the interpretation and application of Section 8 of the *Trade-Marks Act 1933* ("the Act") in particular:-
 - 2.1 In considering whether the picture(s) were descriptive, when Section 8 (1)(d) of the Act is limited to the "word of words" not having a "direct reference to the character or quality of the goods" and does not include pictures. Further, the word "mark" defined in the act does not include a picture.

- 2.2 In not considering that the trademark "CycloneSafe" did not fall within the ambit of Section 8(1) of the Act which required the word to have "direct reference" to the character of the good.
- 3. The learned trial judge erred in law in not applying the principles in Procter & Gamble v. OHIM Case C-383/99 in which the European Court of Justice allowed the registration of the trademark "Babydry" for diapers in particular:
 - 3.1 The word "CycloneSafe" is not used in common parlance or in the normal way to describe glass goods in the same way that "Babydry" is not used in common parlance to describe diapers.
 - 3.2 Therefore "CycloneSafe" is conferred a distinctive character capable of registration as a trademark.
- [6] The Appellant had filed its application in the High Court by way of Originating Notice of Motion pursuant to Order 100 of the High Court Rules 1988. The Notice of Motion was supported by an Affidavit which included a copy of the application for registration. The relevant part of the application is reproduced below.

FIJI TRADE MARKS ACT

AMENDED APPLICATION FOR REGISTRATION OF TRADE MARK

To: The Solicitor-General **SUVA**.

We, GLASS & MIRROR (FIJI) PTE LIMITED a limited liability company having its registered office at 6 Ba market Subdivision, PO Box 9, Ba, Fiji, Importers, Exporters, Indenters, Retailers, Wholesaler, Distributor and Manufacturer, **HEREBY APPLY** to be registered as proprietors of the following trade mark for word "CycloneSafe" written in slanting text where Cyclone is written in dark blue colour in Pantone 654 C and Safe is written in blue colour in pantone 801 C and above which there is a window device at an angle with a crossbar inside in blue colour in pantone 801 C; with the left side being larger and the right side being smaller, which is placed inside and over another window; the outside window being in dark blue in colour in pantone 654 C and curving lines in spiral formation on the right upper side of the window where upper curves are in dark blue colour in pantone 654 C and the lower curve is in blue colour in pantone 801 C, written in slanting text where Cyclone is written in dark blue colour in Pantone 654 C and Safe in blue colour in pantone 801 C and on the right side of the letters there is a window device at an angle with a crossbar inside in blue colour in pantone 801 C; with the left side being larger and the right side being smaller, which is placed inside and over another window; the outside window being in dark blue in colour in pantone 654 C and curving lines in spiral formation on the right upper side of the window where the upper curves in dark

blue colour in pantone 654 C and the lower curve in blue colour in pantone 801C of which the following is a representation:





The Company requires that the said trademark may be registered in respect of the description of the goods following, that is to say:-

Substance used as:-

Glasses such as – Window and plate glass, Painted glass, Glass mosaic, Glass beads in **Class 15**

DATED this 5th day of August, 2020

- [7] It is noted that the application was for the words "CycloneSafe" together with a window device and swirl on the upper right side of the window.
- [8] The application was initially refused by FIPO without reasons and on a request for written grounds for the decision for refusal pursuant to Section 11(3) of the Act, FIPO's responsed as follows:-
 - "1. We refer to the abovementioned application (application) to register the Trade-mark "Cyclone Safe" with two window and a wind swirl devices (Trademark)
 - 2. We refer to your 16th October, 2020 letter requesting the grounds of refusal to register the Trade-mark.
 - 3. During legal examination, it was noted that the classification of goods is 'Glass, such as window and plate glass, printed glass, glass mosaic, glass beads.' As such, the Trade mark bears a direct reference to the character of the goods, and is therefore, contrary to section 8(1)(d) of the Trade-marks Act 1933.
 - 4. Given this, the Trade-mark has been refused."
- [9] The Appellant appealed to the High Court against this ruling by an Originating Motion with an affidavit in support pursuant to Order 100 of the High Court Rules 1988 and

the Appellant has now appealed to this Court against the Judgment of the High Court in those proceedings.

Discussion

[10] I will now consider each of the three grounds of appeal proffered by the Appellant in its appeal.

Ground 1 – Failure to give Adequate Reasons

- [11] The Appellant submits that it was incumbent on the Respondent to give an adequate explanation of the reason(s) for refusing the application and that it had failed to do so. In other words, the Respondent was required to specify how it considered the Trade Mark made a direct reference to the character or quality of the goods in the class.
- [12] The Appellant relied on the cases of <u>Prasad v. State (2018) FJCA 152</u>,

 <u>AAU0010.2014 (4th October 2018)</u> and <u>Commonwealth v. Pharmacy Guild of Australia (1989) 91 ALR 65, 88</u> in support of its contention.
- [13] The cases support the general rule that reasons should be given for administrative decisions based on the principles of fairness in administrative law. Counsel for the Appellant relied on the following passage from the second case referred to above.

"the provision of reasons is an important aspect of the Tribunal's overall task. Reasons are required to inform the public and parties with an immediate interest in the outcome of the proceedings of the manner in which the tribunals conclusions were arrived at. A purpose of requiring reasons is to enable the question whether legal error has been made by the tribunal to be more readily perceived than otherwise might be the case. But that is not the only important purpose which the furnishing of reasons has. A prime purpose is the disclosure of the tribunal's reasoning process to the public and the parties the provision of reasons engenders confidence in the community that the tribunal has gone about its task appropriately and fairly. The statement of bare conclusions without the statement of reasons will always expose the tribunal to the suggestion that it has not given the matter close enough attention or that it has allowed extraneous matters to cloud its considerations. There is yet a further purpose to be served in the giving of reasons. An obligation to give reasons imposes upon the decision marked an intellectual discipline. The tribunal is

required to state publicly what its reasoning process is. This is a sound administrative safeguard tending to ensure that a tribunal such as his properly discharges the important statutory function which it has"

- The Appellant submitted that the Judge had to first determine whether the letter of refusal provided an adequate explanation. Instead of doing this the Judge proceeded to determine whether the trademark bore a direct reference to the character of the goods and on deciding that it did concluded that the reasons stated in the letter were sufficient. It was suggested that by proceeding in this manner the Judge had erred.
- [15] The Respondent on the other hand submitted that it had provided clear grounds in the letter of explanation that the classification of the goods was a direct reference to the character of the goods. The Respondent concluded

"The very fact that the Learned Judge of the high court determined that the trademark did have a direct reference to the character or quality of the goods without questioning the veracity of the reasons provided in the letter is confirmation of the court's endorsement that due process was observed by the Respondent in the dissemination of its reasons. Moreover, whether or not the grounds provided in the letter were adequate have been superseded by the court's own determination of the law regarding the reasons behind said refusal."

- [16] I of course agree with the general rule set out in the above cases that reasons should be given for administrative decisions based on the principles of fairness in administrative law.
- [17] It is difficult to see however in the circumstances of this case how the Respondent could have been more specific. Even if further reasons were provided it would not appear to have affected the final outcome because in reaching his decision the Judge considered the central issue of whether the trademark was a direct reference to the character or quality of the goods in the relevant class.
- [18] I therefore do not consider that there is any merit in this ground of appeal.

Ground 2 and 3 – Interpretation and Application of Section 8 of the Act and Application of Principles in the European Court of Justice

- [19] The Appellants remaining two grounds of appeal covers the interpretation and application of Section 8 of the Act and the application of the principles in the European Court of Justice decision in **Procter & Gamble v. OHIM Case C33/99** ("Procter & Gamble").
- [20] The relevant part of Section 8(1) of the Act provides:-
 - "8.-(1) A registrable trade-mark must contain or consist of at least one of the following essential particulars:-
 - (a) the name of a company, individual or firm represented in a special or particular manner;
 - (b) the signature of the applicant for registration or some predecessor in his or her business;
 - (c) An invented word or invented words;
 - (d) A word or words having no direct reference to the character or quality of the goods and not being, according to its ordinary signification, a geographical name or a surname;
 - (e) Any other distinctive mark, but a name, signature or word or words other than such as fall within the descriptions in paragraphs (a), (b), (c) and (d) shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness."
- [21] The Appellant submits that the Judge has erred in that he has considered that the restrictions in Section 8 of the Act apply to images (devices) when they only apply to a word or words.
- [22] It is clear that Section 8(1)(d) only refers to "a word or words" and I accept that the term "a word or words" does not include images or devices.
- [23] The Appellant relies on paragraph 19 of the Judgment in support of his contention when the Judge states;-
 - 19. In the matter at hand, the word or words "CycloneSafe" is only a part of the disputed Trademark. Vide the images in paragraph 18 above. It also accompanies an image of a window and wind device (swirl), of

which the character and quality are described by those very word or words "Cyclone safe", with no semblance of ambiguity.

- [24] I do not agree that this paragraph supports his argument. The Judge is simply describing the trademark as per the application. Indeed in the very next paragraph the Judge states:-
 - 20. "In other words, the disputed wordings refer directly to none other than the very character and quality of the glass products of the Appellant. This in my view, is not a mere description to the public/ customers as argued by the learned Counsel, for the Appellant in paragraph 23 of his initial written submissions."
- [25] Further in paragraph 23 the Judge states:-
 - 23. "Even in the absence of the accompanying images of the window and wind device (swirl), the very term "CycloneSafe" is capable enough of attracting customers, which directly refers to the quality and character of goods and may bestow an undue advantage/ benefit over other competitors in the market."
- [26] Lastly in paragraph 30 of the Judgment the Judge states:-

"I find that the word "CycloneSafe" <u>in isolation</u> and/or in combination with the window glass, wind device (swirl) clearly describe the character and quality of goods sought to be protected by the impugned Trademark." (the underlining is mine)

- [27] These statements confirm to me that the Judge understood that Section 8(1)(d) only referred to "a word or words".
- The Appellant further contended that the Judge at paragraphs 25 and 26 of his Judgment took into account a general assumption that if the trademark was registered it would give consumers the wrong picture that the goods produced by the Appellant are the only goods that offer protection from cyclones. This it is submitted raised issues around whether the trademark was calculated to deceive which were not issues before the Judge. I agree that the Judge did make that assumption but not in paragraphs 25 and 26 of the Judgment.

- [29] The assumption was expounded in paragraphs 24 and 28 of the Judgment. Be that as it may, I agree with the Appellant that the Judge was wrong in making this assumption from the material before him.
- [30] The Judge also made the following statement however in paragraph 25 of his judgment.
 - 25. "The customer/ the General public in Fiji, who are more prone to Cyclones and resultant disasters almost every year, at the very first sight this phrase / slogan, are more likely to be attracted and convinced by direct reference to the character or quality of the goods concerned, for their choice over the other similar products in the market."
- I can find no fault with this statement. It is an undisputed fact that Fiji is susceptible to cyclones and their resultant disasters. A major consequence of cyclones is that they cause damage to buildings. It is not unreasonable to conclude that a member of the public in Fiji when reading the word "CycloneSafe" in relation to the marketing of products, particularly building products including glass such as window and plate glass would assume that the character and quality of those products are that they are safe in cyclones. The word "CycloneSafe" in my view therefore is a direct reference to the character or quality of the goods in the application and therefore in contravention of Section 8(1)(d) of the Act.
- The Appellant in the Court below had relied on **Procter & Gamble** in support of his argument that the words "CycloneSafe" did not directly refer to the character or quality of the goods for which registration was sought. In that case the Court was considering whether under the relevant European Legislation the words "Baby Dry" were capable of being registered as a trademark for baby diapers. The Appellant submitted that the general principle in the case on which he relied was contained in the following paragraph of the decision and I quote from his submissions before this Court:
 - "33. The general principle accepted in European courts can be found at paragraph 37 of the decision in **Procter & Gamble v Ohim** case, for ease of reference the paragraph is reproduced below:

"It is clear from those two provision taken together that the purpose of the prohibition or registration of purely descriptive signs or indications as trade mark is, as both Procter & Gamble and the OHIM acknowledge, to prevent registration as trade marks of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function"

34. The court applied the above general principles by looking at the whether the combination of the words "Baby Dry" is capable of being distinctive. It said the following at paragraphs 42 and 43 of its judgment.

"In order to assess whether a word combination such as "BABY DRY" is capable of distinctiveness, it is therefore necessary to put oneself in the shows of an English speaking consumer. From that point of view, and given that the goods concerned in this case are babies nappies, the determination to be made depends on whether the word combination in question may be viewed as normal way of referring to the goods or of representing their essential characteristics in common parlance."

As it is, that word combination, whilst it does unquestionably allude to the function which the goods are supposed to fulfil, still does not satisfy the disqualifying criteria set forth in paragraph 39 to 42 of this judgment. Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies nappies, their syntactically unusual juxtaposition is not familiar expression in the English language, either for designating babies nappies or for describing their essential characteristic."

[33] The Appellant submitted that on the basis of the above authority, the correct test to be applied for this case was to determine if the words "Cyclone" and "Safe" is an expression used in everyday speech to designate the function of glass products or is it

a syntactically unusual juxtaposition which is an unfamiliar expression in English language for designating glass products or for describing their essential characteristic.

The Appellant submitted that the Judge had failed to adequately consider the ratio and test in the decision in **Procter & Gamble** and how the European Court of Justice determined that the words "Baby Dry" were capable of being registered as a trademark for baby diapers. In particular he referred to the following statement of the Judge in paragraph 27 of his judgment to illustrate this:-

"However, in the case at hand there is no perceptible difference between the words "Cyclone" and "Safe" so as to confer distinctive character on the combination. The words "Cyclone" and "Safe" are usual common combinations, because the word "Cyclone" goes hand in hand with the word "Safe". Therefore, the combination "CycloneSafe" lacks distinctiveness and cannot be registered. Therefore, in my view, the above authority will not help the Appellant."

- I agree that this reasoning and conclusion by the Judge is questionable. Further the Judge is addressing his mind to the question of distinctiveness which was not the issue before him. The issue before him was whether the word "CycloneSafe" contravened Section 8(1)(d) of the Act in that the word was a direct reference to the character or quality of the goods.
- As I have stated above it is an undisputed fact that Fiji is susceptible to the regular effects of cyclones and the consequences of cyclones. In the context of the general public in Fiji therefore I do not consider that the word 'CycloneSafe" is a "syntactically unusual juxtaposition" when referring to building products particularly products such as window and plate glass as in the application. Even if this Court was bound by the decision of the European Court of Justice in **Procter & Gamble**, I do not consider that the principle in that case set out above assists the Appellant.
- I would comment that the application is clearly for the word and the devices. This is obvious from a reading of the application. The relevant part of the application is for the word "CycloneSafe" and above which there is a window design and curving lines in spiral formation on the right upper side of the window (the underlining is mine). The trademark applied for combines and integrates the word and devices. They are inseparable unlike in **Procter & Gamble** which was for the words "Baby Dry" alone.

It is in my view an unavoidable conclusion when one looks at the trademark described in the application that the words are a direct reference to the goods and the Appellant did not appear to dispute this in the High Court.

Conclusion

[38] For the reasons set out above I consider that the Appellant's grounds of appeal have no merit. I can find no reason to disturb the decision of the High Court as argued in the grounds of appeal. The appeal must therefore be dismissed.

Orders of the Court

- 1. The Appellant's appeal is dismissed.
- 2. The decision of the High Court of the 7th March 2023 is affirmed.
- 3. The Appellant is to pay the Respondent costs in the sum of \$1,500.00 within 21 days of the date of this Judgment.

Hon Justice Filimone Jitoko PRESIDENT, COURT OF APPEAL

Hon. Justice Alipate Qetaki JUSTICE OF APPEAL

Hon. Justice Walton Morgan JUSTICE OF APPEAL

Solicitors

Samuel Ram Lawyers for the Appellant AG's Office for the Respondent