

Sensis V Senses - Federal Court Makes Findings of Deceptive Similarity

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The Federal Court of Australia has found that the use of “SENSES DIRECT” was deceptively similar to an applicant’s earlier registered “SENSIS” trade marks. *Sensis Pty Ltd v Senses Direct Mail and Fulfillment Pty Ltd* [2019] FCA 719 concerned the Australian marketing and advertising business, Sensis (**Applicant**), who brought a claim for trade mark infringement against Senses Direct Mail and Fulfillment (**Respondent**), a direct mail services business. The Respondent cross-claimed on the grounds of non-use, arguing for the removal of SENSIS from the Trade Mark Register in relation to certain class 35 services.

Some key questions were answered as follows:

1. Is SENSES DIRECT deceptively similar to SENSIS?

Justice Davies found that SENSES DIRECT infringed the SENSIS trade mark because of its close resemblance and the likelihood of confusion between both marks. Her Honour gave a number of reasons for this conclusion including that:

- (a) the trade marks shared considerable visual and aural similarity (with evidence demonstrating that customers of the Respondent had already confused SENSES DIRECT with SENSIS); and
- (b) the addition of “DIRECT” did not sufficiently distinguish the Respondent’s mark from the Applicant’s mark – it was merely descriptive.

The Court also rejected the Respondent’s submission that confusion between the two marks was unlikely given the nature of, and market for, the Respondent’s “very distinct type of business” within the wider marketing and advertising service industry.

2. At what point in time is the “honest concurrent use” defence assessed?

The Respondent argued that if the Court found it infringed Sensis’ marks, it could resort to the honest concurrent use defence. The Applicant argued that assessment is at May 2013 (the date when the first infringing conduct occurred) whereas the Respondent argued that it is to be assessed at the date of filing its actual application for registration.

Alternately, it was submitted that assessment is at the date it filed its defence or the date of the hearing. Justice Davies rejected the Respondent’s submissions and upheld that assessment is at the date of the alleged infringing use, in line with *Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd* (2018) 259 FCR 514. Despite accepting that the Respondent adopted its marks honestly, the Court decided not to exercise its discretion to grant registration. This was owing to the high potential for confusion between the marks and the inconvenience to each of the parties if registration was granted.

3. Did Sensis acquire a reputation in the SENSIS marks in Australia and, because of this reputation, was the use of SENSES DIRECT likely to cause confusion?



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The Respondent succeeded on this point, demonstrating that the Applicant had not established a substantial reputation in the SENSIS marks beyond its directory services. The Court accepted evidence that a rebranding campaign was unsuccessful in establishing the Applicant's reputation with respect to advertising and marketing services more broadly at the time the SENSES DIRECT mark was first used. Therefore, the issue of whether this would subsequently cause confusion was not decided. Ultimately, these findings were made redundant by the Court's conclusion that SENSES DIRECT infringed the Applicant's trade marks.

4. Was SENSIS used between 11 July 2013 and 11 July 2016 (the non-use period)?

The Court rejected the Respondent's cross-claim that the Applicant did not use SENSIS in relation to selected "direct mail marketing" services in Class 35 during the non-use period. Justice Davies accepted the Applicant's evidence that the mark had been used since 2002 in relation to services that include "direct mail campaigns", "email campaigns" and "SMS campaigns". Additionally, the Court found that the public interest favoured the exercise of discretion not to remove the proposed class 35 services from the specifications for the SENSIS marks.

Key Takeaway

This case demonstrates the importance of conducting proper due diligence prior to filing an application to register a trade mark to minimise the risk of an IP dispute arising later on. A properly conducted trade mark search involves a broad search on the Australian Trade Marks Register as well as a comprehensive search of any existing unregistered trade marks.

This post was written by Marie Round.

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