FEDERAL COURT OF AUSTRALIA

Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd [2015] FCA 554

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| Citation: | Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd [2015] FCA 554 |
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| Parties: | **ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LTD and CAIRNS HARBOUR LIGHTS PTY LTD v LIV PTY LTD ACN 093 688 576, IVANA PATALANO and ELISE WYANDRA WARRING ALSO KNOWN AS ELISE BRADNAM**  |
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| File number: | QUD 762 of 2012 |
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| Judge: | **RANGIAH J** |
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| Date of judgment: | 5 June 2015 |
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| Catchwords: | **TRADE MARKS** – cross-claim – rectification of Register – ownership of trade mark – first use – domain names – registered business name – advertisements – whether trade mark capable of distinguishing services – where name of registered trade mark same as community titles scheme – extent to which trade mark is inherently adapted to distinguish – contrary to law – misleading or deceptive conduct – whether trade mark likely to deceive or cause confusion **TRADE MARKS** – infringement – substantially identical with or deceptively similar to – use as a trade mark – registered business name – domain name – website layout – internet advertisements – letterhead – outdoor advertising – third party accommodation listing websites – website keywords – directory listings – defence – use in good faith to indicate geographical origin – prior use of trade mark **CONSUMER LAW** – misleading or deceptive conduct – representations that services have sponsorship or approval – confusion amongst consumers – domain names – website layout – directory listings – third party accommodation listing websites – inaccurate description of goods or services – use of disclaimers – accessorial liability  |
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| Legislation: | *Federal Court of Australia Act 1976* (Cth) ss 37M and 37N*Trade Mark Act 1995* (Cth) ss 8, 17, 20, 24, 26, 27, 33, 41, 42, 43, 58, 88, 120, 122(1), 124*Trade Practices Act 1974* (Cth) ss 52 and 53 Australian Consumer Law ss 18, 29 and 232*Trade Marks Regulations 1995* (Cth) Reg 3.1, Sch 1*Body Corporate and Community Management Act 1977* (Qld) ss 16(2), 169(1), 180(3) and 180(4)*Business Names Act 1962* (Qld) s 5(1)  |
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| Cases cited: | *Aldi Stores Ltd Partnership v Frito-Lay Trading Co GmbH* (2001) 190 ALR 185 applied*Anheuser-Busch Inc v Budějovický Budvar, Národní Podnik & Ors* (2002) 56 IPR 182 applied*Austereo Pty Ltd v DMG Radio (Aust) Pty Ltd* (2004) 209 ALR 93 applied*Australian Competition and Consumer Commission v Energy Watch Pty Ltd* [2012] FCA 425 cited*Bass, Ratcliff and Gretton Limited v Nicholson and Sons Limited* [1932] AC 130 cited*Baume & Co Ltd v A.H. Moore Ltd* [1958] Ch 907 cited*Bodum v DKSH Australia Pty Ltd* (2011) 280 ALR 639 cited*Bridge Stockbrokers Ltd v Bridges* (1984) 4 FCR 460 cited*Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417 cited*Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 cited*Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2014) 315 ALR 4 applied*Carnival Cruise Lines v Sitmar Cruises Ltd* (1994) 120 ALR 495 cited*Chocolaterie Guylian NV v Registrar of Trade Marks* (2009) 180 FCR 60 cited*Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 applied*Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107 cited*Colorado Group Ltd v Strandbags Group Pty Ltd* (2007) 164 FCR 506 applied*ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302 cited*CSR Ltd v Resource Capital Australia Pty Ltd* (2003) 128 FCR 408 distinguished*E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144 applied*Eastman Photographic Materials Company Ltd v Comptroller-General of Patents, Designs, and Trade-Marks* [1898] AC 571 cited*Edgetec International Pty Ltd v Zippykerb (NSW) Pty Ltd* (2012) 98 IPR 1 applied*Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9 cited*Google Inc v Australian Competition and Consumer Commission* (2013) 87 ALJR 235; 294 ALR 404 cited*Hansen Beverage Co v Bickfords (Aust) Pty Ltd* (2008) 171 FCR 579 cited*Jackson & Company v Napper* (1886) 35 Ch D 162 cited*Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 cited*Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494 cited*King Par LLC v Brosnan Golf Pty Ltd* (2014) 106 IPR 457 cited*Lomas v Winton Shire Council* [2002] FCAFC 413 cited*Mantra Group Pty Ltd v Tailly Pty Ltd (No 2)* (2010) 183 FCR 450 applied*Mantra IP Pty Ltd v Spagnuolo* (2012) 205 FCR 241 cited*Marcus v Sabra International Pty Ltd* (1995) 30 IPR 261 applied*Mark Foys Ltd v Davies Coop and Co Ltd* (1956) 95 CLR 190 cited*Moorgate Tobacco Ltd v Philip Morris Ltd [No 2]* (1984) 156 CLR 414 cited*New South Wales Dairy Corp v Murray-Gouldburn Co-operative Co Ltd* (1990) 171 CLR 363 cited*Ocean Spray Cranberries Inc v Registrar of Trade Marks* (2000) 47 IPR 579 cited*Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 cited*Pfizer Products v Karam* (2006) 219 FCR 585 cited*R. J. Lea, Ltd.* [1913] 1 Ch. 446 cited*Re Hicks’ Trade Mark; Ex parte Metters Bros* (1897) 22 VLR 636 cited*Re JB Palmer’s Trade Mark* (1883) 24 Ch D 504 cited*Re Pound Puppies Trade Mark* [1988] RPC 530 cited*REA Group Ltd v Real Estate 1 Ltd* (2013) 217 FCR 327 cited*Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 cited*Registrar of Trade Marks v. W. & G. Du Cros Ltd.* [1913] A.C. 624 cited*Rice Growers Ltd v Real Foods Pty Ltd* (2008) 77 IPR 32; [2008] FCA 639 cited*Richards v Butcher* [1891] 2 Ch 522 applied*Shell Co of Australia Ltd v Rohm & Haas Co* (1949) 78 CLR 601 cited*Solarhart Industries Pty Ltd v Solar Shop Pty Ltd* (2011) 281 ALR 544 cited*Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 cited*Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519 cited*Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 cited*TGI Friday’s Australia Pty Ltd v TGI Friday’s Inc* (2000) 100 FCR 358 cited*The Architects (Australia) Pty Ltd v Witty Consultants Pty Ltd* [2002] QSC 139 cited*The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1963) 109 CLR 407 cited*Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 cited*Top Heavy Pty Ltd v Killin* (1996) 34 IPR 282 cited*Unilever Aust Ltd v Karounos* (2001) 113 FCR 322 cited*Vendor Advocacy Australia v Seitanidis* (2013) 103 IPR 1 cited*Wellness Pty Ltd v Pro Bio Living Waters Pty Ltd* (2004) 61 IPR 242 cited*Winton Shire Council v Lomas* (2002) 119 FCR 416 cited*Woolworths Ltd v BP plc* (No 2) (2006) 154 FCR 97 cited |
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| Date of hearing: | 9, 10, 11, 12 and 13 December 20134, 5 and 26 March 2014 |
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| Place: | Brisbane |
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| Division: | GENERAL DIVISION |
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| IN THE FEDERAL COURT OF AUSTRALIA |  |
| QUEENSLAND DISTRICT REGISTRY |  |
| GENERAL DIVISION | QUD 762 of 2012 |

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| BETWEEN: | ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LTDFirst ApplicantCAIRNS HARBOUR LIGHTS PTY LTDSecond ApplicantELISE WYANDRA WARRING ALSO KNOWN AS ELISE BRADNAMFirst Cross-ClaimantIVANA PATALANOSecond Cross-Claimant |
| AND: | LIV PTY LTD ACN 093 688 576First RespondentIVANA PATALANOSecond RespondentELISE WYANDRA WARRING ALSO KNOWN AS ELISE BRADNAMThird RespondentCAIRNS HARBOUR LIGHTS PTY LTDFirst Cross-RespondentACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LTDSecond Cross-Respondent |

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| JUDGE: | RANGIAH J |
| DATE: | 5 JUNE 2015 |
| PLACE: | BRISBANE |

**REASONS FOR JUDGMENT**

1. In this proceeding, the applicants seek injunctions and other relief against the respondents for infringement of trade marks and misleading or deceptive conduct. The respondents’ cross-claim for rectification of the Register of Trade Marks (“the Register”).
2. Before considering the case, I feel compelled to say that the expenditure of resources, both by the Court and the parties, on this proceeding seems grossly disproportionate to the scope of the relief sought. On the second day of the trial, I asked the parties whether mediation was appropriate in view of the parties’ indications that the dispute had narrowed. I was told that there was no prospect of settlement and that “The issue that is in the way … is the question of legal costs that the parties have incurred”. I suggested that costs would not ordinarily be much of a barrier to resolution of a proceeding in comparison with the substantive issues and directed the parties participate in a mediation before a Deputy Registrar. The proceeding did not resolve.
3. The trial took eight days. The parties each tendered a very large volume of documents, apparently on the basis that it was all relevant. The written submissions alone exceeded 300 pages. The sheer volume of written material, the number of allegations of trade mark infringements and misleading or deceptive conduct and the number of issues raised in the cross-claim have made this case a particularly onerous one to decide.
4. Sections 37M and 37N of the *Federal Court of Australia Act 1976* (Cth) make it plain that the Court is required to facilitate the just resolution of the dispute according to law and as quickly, inexpensively and efficiently as possible, and that the parties are required to conduct the proceedings in a way consistent with that purpose. The parties do not comply with their obligation by engaging in a circular exercise where legal costs are run up to the extent that they become an insurmountable barrier to the resolution of the litigation. It cannot be consistent with the interests of justice for a trial of this length and complexity to be heard and determined for the main purpose, it appears, of ultimately deciding who should pay the legal costs that the parties have incurred. I very much regret that our system of justice could allow this to occur.

# THE PARTIES AND FACTUAL BACKGROUND

1. The second applicant, Cairns Harbour Lights Pty Ltd is a property developer. I will refer to that company as “CHL”, except where the context makes it preferable to use its full name. It developed a property consisting of three towers of residential apartments and a retail section at 1 Marlin Parade in Cairns in Far North Queensland. Construction of the complex commenced in September 2004 and was completed in July 2007. The complex is known as “Harbour Lights” or “Cairns Harbour Lights”.
2. The residential part of the Harbour Lights complex consists of two community titles schemes, namely:
3. Harbour Lights Community Titles Scheme 36769 (which I will call “the Residential Scheme”); and
4. Harbour Lights (Managed Apartments) Community Titles Scheme 36770 (which I will call “the Managed Scheme”).
5. The apartments in the Residential Scheme are larger than those in the Managed Scheme and are designed for owner-occupiers and longer-term tenants. However, the owners of some of the apartments in the Residential Scheme also let them on a short-term basis. The apartments in the Managed Scheme are smaller, lack full kitchen facilities and are like hotel rooms. They are designed to attract tourists and business travellers seeking short-term accommodation. CHL has so far sold approximately 112 of the 191 lots and retains ownership of the remainder.
6. Importantly, CHL is the registered owner of two registered trade marks. The trade marks and the dates of their registration are:

(a) HARBOUR LIGHTS – 21 January 2009;

(b) CAIRNS HARBOUR LIGHTS – 21 April 2009.

1. The trade marks are each registered in respect of the following services and classes of services under reg 3.1 and Schedule 1 of the *Trade Marks Regulations 1995* (Cth) (“the Regulations”):

(a) Class 36: agency services for the leasing of real estate properties; commercial real estate agency services; apartment letting agency; apartment rental services; rental of apartments; rental of accommodation; and

(b) Class 43: accommodation letting agency services (holiday apartments); accommodation letting agency services (hotel); hotel accommodation services; accommodation reservation services; booking services for accommodation; hotel services.

1. On 21 December 2004, CHL caused the body corporate for each of the Residential Scheme and the Managed Scheme to enter into agreements giving Mirvac Hotels Pty Ltd (“Mirvac”) the exclusive rights to provide on-site letting services and caretaking services for the schemes. On 28 September 2010, CHL and Mirvac entered a written agreement granting an exclusive licence to Mirvac to use the trade marks in connection with its letting agency services. The agreement acknowledged that Mirvac had used the trade marks with CHL’s consent since 21 December 2004.
2. In 2012, Mirvac’s name was changed to Accor Australia & New Zealand Hospitality Pty Ltd (“Accor”) following a change in the shareholding of the company. I will generally refer to the company as “Accor”, but sometimes the context will make it preferable to refer to it as “Mirvac”. Accor is the first applicant.
3. Accor acts as letting agent for a number of owners of lots in the Residential Scheme and the Managed Scheme. It manages a pool of apartments which are let to members of the public as short-term or holiday accommodation. It operates its letting business as a 4½ star hotel.
4. Lot owners who wish to let their apartments are free to choose Accor or another letting agent or to arrange the letting themselves. However, only Accor, because of its agreement with each body corporate and the body corporate by-laws, is able to operate on-site. That allows Accor the competitive advantage of being able to offer guests benefits like on-site reception and on-site luggage storage.
5. Accor advertises and takes booking for the apartments it manages through its own website, travel agents, various hotel and apartment listing websites and telephone directory listings.
6. The third respondent, Elise Wyandra Bradnam, purchased an apartment (or, more correctly, purchased a lot) in the Managed Scheme in 2005. Ms Bradnam is referred to by her former surname of Warring in some of the evidence, but I shall refer to her throughout these reasons by her current surname.
7. Ms Bradnam obtained registration of the following domain names on the following dates:

(a) cairnsharbourlights.com.au – 4 October 2006;

(b) harbourlightscairns.com.au – 4 October 2006;

(c) harbourlightscairns.com – 17 January 2007.

1. Ms Bradnam commenced operating a business involving short and long-term letting and sales in respect of apartments in the Residential Scheme and the Managed Scheme from about July 2007. She had earlier established a website which commenced advertising apartments on 31 October 2006 in anticipation of their later availability. When Ms Bradman’s domain names were entered into a web browser they would direct the viewer to the website. Her business traded principally under the registered business name “Harbour Lights Property Management and Sales”.
2. Ms Bradnam advertised her business on her own website and on a number of external hotel and apartment listing websites and on outdoor signs. Ms Bradnam’s business competed with that of Accor in respect of short-term letting.
3. In September 2009, Ms Bradnam entered a contract for the sale of her business to the first respondent, Liv Pty Ltd (“Liv”). The second respondent, Ivana Patalano, is the sole director of Liv and its sole shareholder. Liv trades under the registered business name “Cairns Luxury Apartments”. It competes with Accor in respect of short-term letting of accommodation in the Harbour Lights complex.
4. Liv advertises its business on its own website. Although Ms Bradnam sold her business to Liv, she remains the registrant for the domain names cairnsharbourlights.com.au and harbourlightscairns.com.au. Ms Patalano is the registrant for harbourlightscairns.com. Entering those domain names into a web browser directs customers to Liv’s website. Liv also advertises on a number of external hotel and apartment listing websites.
5. The respondents submit that the complex is generally known as “Harbour Lights” or “Cairns Harbour Lights”. There are signs attached to the buildings that say “Harbour Lights” and “Cairns Harbour Lights”. The words “Harbour Lights” are part of the relevant community titles schemes and of each body corporate for those schemes. In their advertising materials for the sale of lots in the community titles schemes, CHL promoted the property as “Harbour Lights” or “Cairns Harbour Lights”. Ms Bradnam’s uncontested evidence was that lot owners were encouraged by CHL to include “Harbour Lights” as part of their address. “Harbour Lights” forms part of the ordinary postal address of the occupants of the complex. I accept that the complex is generally known as “Harbour Lights” or “Cairns Harbour Lights” to lot owners and members of the public.
6. The applicants’ case is that the respondents have infringed their trade marks and engaged in misleading or deceptive conduct through the use of the domain names, through the content of their websites, through other advertising and through the use of email addresses and business names.
7. The applicants seek injunctions restraining Liv and Ms Patalano from infringing their trade marks and from engaging in misleading or deceptive conduct. The applicants seek an order that Ms Bradnam transfer the domain names to them. They seek an account of profits in respect of the alleged infringements of their trade marks. During their final address they foreshadowed an application to further amend the originating application to seek declarations (which the respondents indicated they would oppose).
8. In their cross-claim, the respondents seek orders that the Registerbe rectified by cancellation of the registration of the trade marks or removal or amendment of the entries.
9. I will not decide what relief I should grant until after I have delivered my reasons concerning the substantive allegations and heard submissions as to the appropriate orders.
10. As it is convenient to use a number of abbreviations, I will provide a glossary at the end of these reasons.
11. I will consider the cross-claim first, and then consider the applicants’ allegations of infringement of their trade marks and misleading or deceptive conduct.

# THE CROSS-CLAIM: RECTIFICATION OF REGISTER

1. The cross-claimants, Ms Patalano and Ms Bradnam, have applied pursuant to s 88(1) of the *Trade Marks Act 1995* (Cth) (“TMA”) for orders that the Registerbe rectified. Section 88 provides:

(1) Subject to subsection (2) and section 89, a prescribed court may, on the application of an aggrieved person or the Registrar, order that the Register be rectified by:

(a) cancelling the registration of a trade mark; or

(b) removing or amending an entry wrongly made or remaining on the Register; or

(c) entering any condition or limitation affecting the registration of a trade mark that ought to be entered.

(2) An application may be made on any of the following grounds, and on no other grounds:

(a) any of the grounds on which the registration of the trade mark could have been opposed under this Act;

(b) an amendment of the application for the registration of the trade mark was obtained as a result of fraud, false suggestion or misrepresentation;

(c) because of the circumstances applying at the time when the application for rectification is filed, the use of the trade mark is likely to deceive or cause confusion;

(e) if the application is in respect of an entry in the Register—the entry was made, or has been previously amended, as a result of fraud, false suggestion or misrepresentation.

1. There no dispute that the cross-claimants have the standing to apply under s 88(1) of the TMA.
2. For the purposes of s 88(2)(a), it is necessary to identify the grounds upon which registration of the trade marks could have been opposed. Part 4 of the TMA (ss 27 – 51A) deals with applications for registration of trade marks. It is Part 4 in its form prior to the commencement of the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) that is relevant to this case.
3. Section 33(1) provides that the Registrar must, after examination, accept the application unless he or she is satisfied that the application has not been made in accordance with the Act or there are grounds under the Act for rejecting it. The grounds for rejecting an application are set out in Division 2 of Part 4 (ss 39 – 44). The grounds on which registration may be opposed are contained in Division 2 of Part 5 (ss 57 – 62A). Section 57 provides that registration of a trade mark may be opposed on the grounds upon which registration may be rejected.
4. The grounds upon which the cross-claimants seek cancellation of the trade marks or removal or amendment of the entries are as follows:

(a) the trade marks are not capable of distinguishing the services of CHL or Accor from the services of others: s 41 TMA;

(b) the use of the trade marks would be contrary to law because their use would be likely to mislead or deceive consumers into believing that CHL or Accor are the sole owners of the apartments in the Harbour Lights complex, or are the sole provider of letting services for apartments in the Harbour Lights complex: s 42 TMA;

(c) the trade marks have a connotation that would deceive or cause confusion: s 43 TMA;

(d) because of the circumstances at the time the cross-claim was filed, the use of the trade marks is likely to deceive or cause confusion: s 88(2)(c) TMA;

(e) CHL is not the owner of the trade marks – the owner being Ms Bradnam or Liv: s 58 TMA.

1. I will start my consideration of the cross-claim with the cross-claimants’ argument that CHL is not the owner of the trade marks.

## Section 58 TMA – Ownership of the trade marks

1. One of the grounds for opposition of the registration of a trade mark, and therefore for cancellation or removal or amendment of an entry in the Register, is set out in s 58 of the TMA. That section provides:

The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

1. The cross-claimants argue that Ms Bradnam is the owner of the trade marks because she was the first user of the trade marks “Harbour Lights” and “Cairns Harbour Lights” in relation to at least some of the services in respect of which the trade marks are registered. That first use is alleged to have occurred in October 2006 when her website went “live” and she commenced advertising three apartments in the development for rental or letting. Ms Bradnam then started renting or letting the apartments in about July 2007 using the business name “Harbour Lights Property Management and Sales”.
2. The cross-respondents, CHL and Accor, dispute that the marks used by Ms Bradnam are substantially identical to the registered trade marks and dispute that she used the marks in relation to the same kind of services as those in respect of which the trade marks are registered. I will call the services in respect of which the trade marks are registered the “Class 36” and “Class 43 services” for convenience.
3. The cross-respondents submit that CHL used the trade marks in relation to each of the Class 36 and Class 43 services as early as 2004, and that Accor did so from 2005. The cross-claimants dispute that the cross-respondents used substantially identical trade marks prior to October 2006 in relation to all but one of the Class 36 and Class 43 services and dispute that the marks were used as trade marks.

## The case law concerning ownership of trade marks

1. Section 58 does not define who the owner of a trade mark is, or specify how ownership is to be determined. The principles stem largely from the case law rather than directly from the TMA. However, there is an overlap with the law concerning infringement under the TMA.
2. In *Shell Co of Australia Ltd v Rohm & Haas Co* (1949) 78 CLR 601 Dixon J, speaking of previously unused trade marks, said at 627:

[I]t is clear enough from the course of legislation and of decision that an application to registera trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration.

1. Dixon J said at 628 that “Authorship … involves the origination or first adoption of the word or design as and for a trade mark.”
2. Where a person has used a trade mark prior to the application for registration, the person is regarded as the owner of the mark, providing that another person has not made first use of it: *Colorado Group Ltd v Strandbags Group Pty Ltd* (2007) 164 FCR 506 at [5] per Kenny J. In *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592, Jacobs J said at 602:

[R]egistration by another of the trade mark prevents the further use of the mark by the person who had been the first to use it. That is not permissible because it bars the true proprietor of the mark in Australia, the person who had first used the mark to distinguish his goods in the course of trade in this country.

1. In *Winton Shire Council v Lomas* (2002) 119 FCR 416, Spender J noted at [37], by reference to High Court decisions, that “a very small amount of use will suffice”.
2. The person claiming to be the owner of a trade mark may rely on authorised use of the mark by another person: s 8(2) TMA.
3. There is an onus on the party seeking removal of a trade mark from the Register to disprove the registered owner’s claim of first use: *Colorado Group* at [8] per Kenny J, [73] per Allsop J, *Food Channel Network Pty Ltd v Television Food Network GP* (2010) 185 FCR 9 at [61].
4. Ownership is not established by earlier use of a trade mark unless it is the same as or substantially identical to the trade mark the subject of the application for registration: *Colorado Group* at [107] – [108] per Allsop J, *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144 at [69]. In *Carnival Cruise Lines v Sitmar Cruises Ltd* (1994) 120 ALR 495, Gummow J, discussing *Shell Co of Australia v Rohm & Haas Co* said at 513:

[I]t does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase “substantially identical” as it appears in s 62 (which is concerned with infringement) was discussed by Windeyer J in *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between the two marks. In a real sense a claim to proprietorship of the one extends to the other. But to go beyond this is, in my view, not possible. There is, as Mr Shanahan points out in his work, p 158, real difficulty in assessing the broader notion of deceptive similarity in the absence of some notional user in Australia of the prior mark (something postulated by s 33) or prior public recognition built up by user: s 28(a).

In the present case there would, in my view, be no material distinction to be drawn between FUN SHIP and FUNSHIP or between the addition of the definite article or the use of the plural. However, FUN SHIP is for this purpose a substantially different trademark to SITMAR’S FUNSHIP and FAIRSTAR THE FUNSHIP.

1. The earlier use of the trade mark must also be in relation to the same services or the same kind of services as those in respect of which the trade mark is registered. In *Colorado Group*, Kenny J at [6] said:

The owner of a mark does not have rights at large in relation to the mark. The effect of the 1995 Act, which, in this regard, is much the same as earlier trade mark legislation, is that a trade mark must be registered in respect of particular goods or services as set out in Sch 1 to the *Trade Marks Regulations 1995* (Cth): see regs 3.1 and 4.4 and Sch 1; also the 1995 Act, ss 19 and 27. Ownership by first use is therefore ownership (or proprietorship) in relation to the goods or classes of goods on which the mark has first been used. The owner’s right to registration in this circumstance is not limited to the identical goods or classes of goods but extends to goods or classes of goods “of the same kind”: see Jackson & Company v Napper (1886) 35 Ch D 162 at 178 and Re Hicks’ Trade Mark; Ex parte Metters Bros (1897) 22 VLR 636 at 640.

1. The use must be at a time when there was actual trade, or an offer to trade, in the goods or services bearing the mark, or, at least, an existing intention to offer or supply the goods or services in Australia. In *Lomas v Winton Shire Council* [2002] FCAFC 413, the Full Court said at [39]:

However, where there is no actual trade or offer to trade in goods bearing the relevant mark in Australia or any existing intention to offer or supply such goods in trade, but merely preliminary discussions and negotiations about whether the mark would be so used, there is no use so as to constitute ownership of the mark (see Moorgate Tobacco (No 2) at 434).

1. The earlier use must be use of the mark *as* a trade mark: *Moorgate Tobacco Ltd v Philip Morris Ltd [No 2]* (1984) 156 CLR 414 at 432 per Deane J, *King Par LLC v Brosnan Golf Pty Ltd* (2014) 106 IPR 457 at [180] per Greenwood J. As the issue of use as a trade mark is particularly significant to the disposition of the ownership issue in this case, I will set out the relevant principles in some detail.
2. In *E & J Gallo Winery v Lion Nathan Australia Pty Ltd*, the High Court at [43] approved the following passage from *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107 at [19]:

Use ‘as a trade mark’ is use of the mark as a ‘badge of origin’ in the sense that it indicates a connection in the course of trade between goods and the person who applies the mark to the goods … That is the concept embodied in the definition of “trade mark” in s 17 – a sign used to distinguish goods dealt with in the course of trade by a person from goods so dealt with by someone else.

1. In *Woolworths Ltd v BP plc (No 2)* (2006) 154 FCR 97, the Full Federal Court said at [77]:

Whether or not there has been use as a trade mark involves an understanding from an objective viewpoint of the purpose and nature of the use, considered in its context in the relevant trade. How the mark has been used may not involve a single or clear idea or message. The mark may be used for a number of purposes, or to a number of ends, but there will be use as a trade mark if one aspect of the use is to distinguish the goods or services provided by a person in the course of trade from the goods or services provided by any other persons, that is to say it must distinguish them in the sense of indicating origin.

1. In *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326,Gummow J said at 347-348:

Where the trade mark allegedly used by the defendant comprises ordinary English words … then … that circumstance may be taken into account by the court in the process of reasoning by which it accepts or rejects a submission that the use in question is not a trade mark use but a description of the goods in question. To say that is not to gainsay the point made by Dixon CJ in *Mark Foys Ltd v Davies Coop and Co Ltd* (the *Tub Happy* case) (1956) 95 CLR 190 at 194-195 that language is not always used to convey a single, clear idea; a mark may have a descriptive element but still serve as a badge of trade origin. However, where the issue is one of infringing use by use of a word mark (as in the present case), the fundamental question remains, to paraphrase what was said by Williams J in the same case (supra) (at 205), whether those to whom the user is directed are being invited to purchase the goods (or services) of the defendants which are to be distinguished from the goods of other traders *“partly because”* (emphasis supplied) they are described by the words in question.

1. In *Johnson & Johnson*, Lockhart J stated at 336:

Distinctive means distinctive in the sense that the mark distinguishes the registered proprietor's goods from others of the same type in that market, though it does not mean that the goods must specifically identify the plaintiff as the source of those goods. Often the identity of the supplier will be unknown, but what is important is that a significant number of consumers in the relevant market identify the plaintiff's goods as coming from one trade source.

1. In *Aldi Stores Ltd Partnership v Frito-Lay Trading Co GmbH* (2001) 190 ALR 185, Hill J said at [23]:

Where the sign or mark is an invented word or invented combination of words, it will usually be easy to conclude that use on packaging or on the goods themselves is a trade mark use … Where the word has or a combination of words have a clear meaning in ordinary use, the question will be much more difficult as the word or combination of words may either have taken on a secondary meaning indicating the origin of the goods or may simply convey an ordinary meaning (that is, some message other than the trade origin of the goods): see *Top Heavy Pty Ltd v Killin* (1996) 34 IPR 282 at 286. It is well established that there is not a true dichotomy between words capable of being used as a badge of trade origin and words that are descriptive: see *Johnson & Johnson* at FCR 347 per Gummow J and at FCR 339 per Lockhart J.

1. The legal principles concerning the use of a sign as a trade mark were succinctly summarised by Reeves J in *Mantra Group Pty Ltd v Tailly Pty Ltd* *(No 2)* (2010) 183 FCR 450 at [50]:

(a) Use as a trade mark is use of the mark as a “badge of origin” in the sense that it indicates a connection in the course of trade between goods or services and the person who applies the mark to those goods or services. It has been described as “planting a flag to identify the fact you are in a particular trader’s territory”;

(b) In determining whether a sign is used as a trade mark, one does *not* ask whether the sign indicates a connection between the alleged infringer’s services and those of the registered owner. Instead, one asks whether the alleged infringer has used the sign so as to indicate that the origin of the services was in itself;

(c) The latter question is the question that has to be determined at this threshold stage. The determination of this threshold question only involves an examination of the impugned mark, not the registered trade mark;

(d) In assessing whether the alleged use is use as a trade mark, the Court is required to examine the purpose and nature of the use in its context. This includes factors such as the positioning of the sign, the type of font used, the size of the words or letters, and the colours which are used, as well as how the sign is applied to the advertising material in question;

(e) This assessment of the purpose and nature of the use of the sign is objective, ie by reference to what a member of the public could be expected to understand by its use;

(f) The words (of a mark) may be used to describe the goods or services concerned, but still serve as a badge of trade origin. The question is whether consumers are being invited to purchase the services on the basis that they are to be distinguished from that of other providers of those services *partly because* they are described by the words used;

(g) It has been doubted whether the mere registration of a domain name containing the words of a trade mark constitutes the use of those words as a trade mark for the purposes of s 120 of the *Trade Marks Act*. However, if the registered domain name is linked to a website that contains advertising material that promotes goods or services in relation to which the trade mark is registered, this combination of use could constitute use as a trade mark under s 120 of the *Trade Marks Act*. This is all the more so if the advertising material on the website also uses the words of the trade mark to promote the goods or services concerned. In considering whether these situations constitute trade mark use, it will be necessary to apply the general principles set out above to the particular circumstances.

(Citations omitted. Emphasis in original.)

1. In summary, where cancellation of the registration of a trade mark is sought on the ground that the person registered as the owner is not the owner, the party seeking cancellation must prove that he or she or someone else used the trade mark in Australia earlier than the registered owner did. The party seeking cancellation must establish that the earlier use was:

(a) use of a trade mark identical or substantially identical to the trade mark sought to be registered;

(b) use as a trade mark;

(c) use in respect of goods or services of the same kind or class; and

(d) at a time when there was actual trade, or an offer to trade, in the goods or services bearing the mark, or, at least, an existing intention to offer or supply the goods or services in Australia.

## The services in respect of which the trade marks are registered

1. The trade marks are registered in respect of six types of services in each of Class 36 and Class 43. In Class 36 those services are:

(a) agency services for the leasing of real estate properties;

(b) commercial real estate agency services;

(c) apartment letting agency;

(d) apartment rental services;

(e) rental of apartments;

(f) rental of accommodation.

1. In Class 43 the services are:

(a) accommodation letting agency services (holiday apartments);

(b) accommodation letting agency services (hotel);

(c) hotel accommodation services;

(d) accommodation reservation services;

(e) booking services for accommodation;

(f) hotel services.

1. The cross-claimants do not dispute, or only faintly dispute, that CHL was the first user of the trade marks in respect of some of the Class 36 and Class 43 services.
2. Ms Bradnam specifically deposed that the services her business provided and marketed were apartment letting services, but not hotel services. She said:

While I let some apartments in the hotel section (i.e. Harbour Lights Managed Apartments CTS), the actual services that my business provided were strictly apartment letting services; not hotel services. For example, I did not provide onsite baggage storage services, room service, concierge services or other services typically offered by hotel operators. I was aware these services were provided by Mirvac as part of its hotel service. At no time did I ever advertise my business as providing hotel services. The service I provided and marketed was private apartment letting services.

(Emphasis in original.)

1. Ms Bradnam therefore disclaims first use and ownership of the trade marks in respect of “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” in Class 43. I accept that CHL is the owner of the trade marks in relation to those services.
2. In addition, there is little or no dispute that CHL was the first user of the trade marks in relation to “commercial real estate agency services” in Class 36 by its use of the trade marks in connection with the sale of lots.
3. Ms Bradnam claims ownership by first use of the trade marks in relation to the remainder of the services. There was little evidence and attention directed to what most of those services entail, but it is a question of some importance. It is convenient to set out my assessment of those services at this stage in order to avoid repetition later.
4. I consider that, for the purposes of this case, there is no distinction to be made between “apartment letting agency”, “apartment rental services”, “rental of apartments”, “rental of accommodation” and “accommodation letting agency services (holiday apartments)”. The accommodation in the Harbour Lights complex consisted solely of apartments. Although those in the Managed Scheme were smaller and did not have full kitchen facilities, they were sold as “managed apartments”. The *Macquarie Dictionary* seems to treat “let” and “rent” as synonyms, defining “**let out”** as “to grant the occupancy or use of (land, buildings, rooms, space, etc., or moveable property) for rent or hire”, while defining “rent”, relevantly, as “to be leased or let for rent”. While the word “let” may generally refer to shorter term occupancy than “rent”, there can be short-term rentals. No distinction between these categories of services was suggested by the parties.
5. In providing the services described in the preceding paragraph, it is to be expected that a business would advertise the availability of the accommodation and take bookings or reservations from guests. That is certainly what Accor and Liv do. I consider that the provision of the services described above will also involve the provision of “accommodation reservation services” and “booking services for accommodation”. I will refer to these services collectively as “rental and letting services”.
6. I consider that there is some distinction between “agency services for the leasing of real estate properties” and the rental and letting services. The former suggests a formal lease for medium to long-term accommodation. It refers to accommodation leased for a longer period than rental for short-term holidays, business travel and the like.
7. It is convenient to refer to the services other than “commercial real estate agency services” “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” collectively as “leasing, letting and rental services”.
8. It is also necessary to consider what “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” involve in order to distinguish those services from the leasing, letting and rental services. Dino Mezzatesta, a senior executive with Accor, expressed the opinion that guests booking a hotel room would expect, unless expressly notified otherwise, the following:

(a) the ability to check-in and check-out at a reception on-site;

(b) supply of a furnished room with linen and towels;

(c) a daily room clean or tidy, with the making of the bed and replacement of towels each day;

(d) the ability to call someone who is in the hotel on a 24 hour basis, so that if there is an issue or problem, that person would come promptly to the guest room;

(e) an on-site person monitoring the security and safety of the hotel on a 24 hour basis, for example, in relation to smoke and fire issues, and to monitor the behaviour of other guests;

(f) the ability to get extra keys, toiletries and towels, if needed, from a person on-site;

(g) room service, or at least the ability to have breakfast delivered to the room;

(h) on-site luggage storage;

(i) the ability to collect mail, packages and messages at the front desk.

1. These are services that Accor provides in its hotel business at the Harbour Lights complex. The quality of the hotel is described as 4½ stars and my impression is that the features that Mr Mezzatesta described are those that a guest would expect at a hotel of that quality.
2. David Catterall, a provider of management services for hotels and resorts who gave expert evidence, indicated that “hotel” does not have a fixed meaning in the industry. He indicated, however, that the characteristics that people commonly use to define a modern hotel include:

(a) 24 hour reception;

(b) tour desk;

(c) concierge;

(d) daily housekeeping service;

(e) mini-bar;

(f) room service;

(g) extra facilities and services.

1. Again, these are services that guests would expect at a high quality hotel. Some hotels are “dives” and would not provide all these services, but they are nevertheless hotels.
2. In my opinion, a hotel is ordinarily understood to be an accommodation facility that provides, at a minimum, an on-site reception desk and the ability to check-in and check-out on-site. The services described as “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” have corresponding meanings. I add that it may be possible for an accommodation facility that does not have on-site reception and check-in to still be regarded as a hotel if it has some of the other features of a hotel indicated above.
3. It is convenient to refer to “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” collectively as “the hotel services”.

### First use by CHL and Accor

1. I will consider when CHL and Accor first used the trade marks. Then I will consider Ms Bradnam’s claim to have used the trade marks first.
2. The name “Harbour Lights” was created by George Chapman, a director and shareholder of CHL, for the proposed development in December 2003. CHL was originally named Citiport Developments Pty Ltd, but changed its name to Cairns Harbour Lights Pty Ltd on 22 December 2003.
3. Mr Kenneth Chapman, a director of CHL, deposed that:

The intention of CHL was that the Managed Scheme would operate as a hotel. The lots were generally smaller than residential lots and were sold by CHL fully furnished. The Residential Scheme had larger apartments, which were two and three bedroom apartments, and these apartments were designed for owner-occupiers and longer term tenants.

1. CHL sold the caretaking and letting rights for both the Managed Scheme and Residential Scheme to Mirvac (now Accor) on 21 December 2004. Mirvac operated a chain of hotels in Australia known as “Sebel”. Mirvac used the name “The Sebel Harbour Lights” to describe both its letting business and the Harbour Lights complex until early 2009. After that, Mirvac used the name “Cairns Harbour Lights”.
2. A wholly owned subsidiary of CHL started providing a service involving long-term rentals of apartments in the Managed Scheme and the Residential Scheme in late 2008 after obtaining a real estate agent’s licence.
3. The cross-respondents give fifteen “Examples of the early use of the Trade Marks” which are said to demonstrate their use of the trade marks in relation to hotel services, accommodation reservation services, apartment rental services, accommodation letting services and services relating to the rental of accommodation prior to October 2006. The cross-respondents also appear to rely on CHL’s use of its domain names and its website.

#### CHL’s use of domain names and website

1. On 28 January 2004, the following domain names were registered:

(a) harbourlights.com.au; and

(b) cairnsharbourlights.com.

1. Although Skyrail Pty Ltd and “Brightfox” were the registrants, CHL used the domain names to resolve to its website. In other words, when the domain names were typed into a web browser, the viewer was taken to CHL’s website. In early 2004 CHL’s website went “live”. From early 2005, CHL also used the domain name cairnsharbourlights.com.au, but the registration of that domain name lapsed, and the name was subsequently registered by Ms Bradnam. Mr Chapman’s evidence was that the website was “branded as ‘Harbour Lights’ since its first launch”.
2. I will consider whether the use of the domain names to resolve to CHL’s website and the content of the website itself amounts to trade mark use in relation to the Class 36 and Class 43 services.
3. In *Mantra Group v Tailly*, Reeves J said at [50]:

[I]f the registered domain name is linked to a website that contains advertising material that promotes goods or services in relation to which the trade mark is registered, this combination of use could constitute use as a trade mark under s 120 of the *Trade Marks Act*.

1. In *Edgetec International Pty Ltd v Zippykerb (NSW) Pty Ltd* (2012) 98 IPR 1, Reeves J was concerned with a case in which the respondent had registered domain names that incorporated or were similar to the applicant’s registered trade marks and linked those domain names to a website which advertised the respondent’s goods and services. His Honour held at [24]:

I consider this is trade mark use of those signs or words. That is so because this use of a domain name to redirect potential customers to a website displaying one’s goods and services is analogous to using those words as a sign on the front of a shop to indicate the goods and services that are sold within.

1. When deciding whether domain names are substantially identical to the trade marks, the prefix “www” and the suffix “.com” or “.com.au” do not substantially affect the identity of the trade mark: *The Architects (Australia) Pty Ltd v Witty Consultants Pty Ltd* [2002] QSC 139 at [21] per Chesterman J, *Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519 at [155] per Kenny J.
2. Mr Chapman deposed that CHL “operated a website to promote sales of apartments”. That is consistent with other aspects of his evidence demonstrating that CHL used the names “Harbour Lights” and “Cairns Harbour Lights” as trade marks in respect of sales of lots in the development from 2004. For example, CHL engaged real estate agents who were provided with business cards that contained the words “Harbour Lights”. The agents each had an email address in the form “name@harbourlights.com.au”.
3. Mr Chapman said later in his affidavit that the website was used by CHL both to sell apartments and to “encourage potential owners to use the services of the onsite letting agent”. He explained under cross-examination that it was in CHL’s interests to encourage apartment owners to use Mirvac’s services.
4. Mr Chapman’s evidence did not explain how the website was used to encourage potential owners to use Mirvac’s letting agency services or indicate the words that were used to do so. His evidence was somewhat evasive through omission in that respect. While Mr Chapman annexed a document showing the current home page of the CHL website, he produced no version demonstrating encouragement of the use of Mirvac’s services. In contrast, Ms Bradnam was able to produce screen shots taken from CHL’s website on 16 July 2007, 19 July 2008 and 11 September 2009. Those screen shots refer only to sales of apartments, not to letting of them. In these circumstances, I do not accept Mr Chapman’s assertion that the website was used to encourage potential owners to use Mirvac’s letting agency services.
5. Even if Mr Chapman’s evidence is accepted, it does not go far enough to support a conclusion that the words “Harbour Lights” were used on the website as a trade mark in relation to Mirvac’s letting agency services. His evidence does not indicate that those words were used as a badge of origin, rather than, for example, merely as descriptive of the complex. I cannot reach such a conclusion from the vague evidence that the website was “branded as ‘Harbour Lights’” and was used to encourage potential owners to use Mirvac’s letting services. The use of CHL’s domain names to resolve to the website, therefore, is not trade mark use in relation to letting services.
6. An additional problem is that there is no evidence of precisely when the website encouraged owners to use Mirvac’s services. Mr Chapman’s oral evidence was merely that it occurred “at different stages” prior to the completion of the building. The problem lies in comparing the timing of CHL’s claim of first use of the trade marks with Ms Bradnam’s claim that her first use was in October 2006.
7. I find that CHL’s website advertised or promoted sales of apartments, but not leasing, rental or letting of apartments or hotel services. The use of the domain names to resolve to CHL’s website was not use in connection with the Class 36 and Class 43 services, other than “commercial real estate agency services”.
8. Some of the documents containing the cross-respondents’ fifteen examples of early use, which I will discuss below, refer to CHL’s domain names. To avoid repetition, I will indicate that my conclusion applies equally to those uses of CHL’s domain names. That is, the use of CHL’s domain names to resolve to its website was not trade mark use in connection with the Class 36 and Class 43 services, other than “commercial real estate agency services”.

#### Media release 30 June 2004

1. The first of the cross-respondents’ fifteen examples is a media release dated 30 June 2004. It is quite lengthy and I do not propose to set out its contents in full. The cross-respondents submit that the use of the terms “managed apartments”, “guests” and “investors” demonstrates preparatory use in relation to apartment letting agency and accommodation letting agency services.
2. It must be borne in mind that the use must be use as a trade mark and that it is necessary to consider that issue in accordance with the understanding of an ordinary person. To avoid repetition, I will indicate that is the way I will approach my consideration of the issue of use as a trade mark throughout these reasons.
3. The media release was presumably sent to members of the media. There is no reason to suppose that such persons would have a different understanding of the Harbour Lights development and the content of the media release to ordinary members of the public. An ordinary person may be taken to have had no knowledge of the Harbour Lights development prior to reading the media release.
4. The media release aimed to promote sales of apartments in the development. It set out the range of sale prices for “residential apartments” and “managed apartments”. It stated that “Harbour Lights” has “101 residential and 92 managed apartments”. The media release also stated that the “Harbour Lights Display and Sales Office” can be contacted at info@harbourlights.com.au.
5. I accept that the reference to “Harbour Lights Display and Sales Office” was use as a trade mark of a mark substantially identical to “Harbour Lights” in relation to “commercial real estate agency services”, although not in relation to any of the other Class 36 or Class 43 services.
6. The email address info@harbourlights.com.au is substantially identical to “HARBOUR LIGHTS”, ignoring the “.com.au” and “info@”, but it was used as a trade mark only in connection with sales. That is evident from the press release being directed to sales, the absence of any reference to letting services in the press release and the stated use of the email address which was to contact the “Harbour Lights Display and Sales Office”.
7. In my opinion, the references to “managed apartments” were to the sale of apartments in the Managed Scheme. They were not references to any service involving the leasing, rental and letting of apartments or the hotel services.
8. Even if it is assumed that “managed apartments” also referred to management of the apartments, in the sense of managing their leasing, rental or letting, that does not assist the cross-respondents. The words “Harbour Lights” and “Cairns Harbour Lights” were not used as trade marks, whether wholly or in part. The media release used “Cairns Harbour Lights” to describe the name of the 12 story, 193 apartment development. It also used “Harbour Lights” as the name of the development. It said, “Harbour Lights is one of the most exciting property developments in Australia today” and “Harbour Lights is in the best location in Cairns ever”. None of the uses of “Harbour lights” and “Cairns Harbour Lights” were to show a connection between the user of the mark and any leasing, rental and letting services.
9. The cross-respondents rely on the reference to “guests” in the phrase “Harbour Lights is positioned to provide residents and guests alike with unparalleled views” to demonstrate that “Harbour Lights” was preparatory use in relation to apartment and accommodation letting services. The cross-respondents also rely on references to “investor response” and “investors…needing to get in quick”. However, these references would suggest to an ordinary reader no more than that some purchasers may want to lease, rent or let their apartments and that guests would find the apartments attractive. They do not indicate that any leasing, rental or letting service was being offered, let alone that there was a connection between the user of “Harbour Lights” and such a service.

#### Advertisement in The Financial Review 28 October 2004

1. The cross-respondents rely on an advertisement placed by CHL in *The Financial Review* on 28 October 2004. The advertisement had the heading “Australia’s best waterfront location now available in Cairns”.
2. The advertisement referred to “managed” and “residential” apartments. Again, the advertisement was for the sale of apartments in the Managed Scheme, not for the letting of apartments. The reference to “investment opportunity” would be understood to mean no more than that buying an apartment was a good investment.
3. Even if the use of “managed apartments” were taken to be a reference to letting services, “Cairns Harbour Lights” was not used as a trade mark because those words would be understood as used only to describe the name of the development. The advertisement stated that “Cairns Harbour Lights is a once in a lifetime investment opportunity”. It also stated that “Cairns Harbour Lights boasts 95 metres of absolute water frontage”. That was not use as a trade mark because it was used as the name of the property, and not used to show a connection between the user of the mark and any letting service.
4. In the advertisement, the words “HARBOUR LIGHTS” appeared below the heading. Immediately above the words “HARBOUR LIGHTS” appeared an image of five gold-coloured stars in a horizontal line and immediately below appeared some words that are indecipherable in the copy of the advertisement in evidence. There are a number of other advertisements in evidence which contain a mark that looks similar. I infer from these other advertisements that the indecipherable words are “A New Star Shines”.
5. The cross-respondents submit that “HARBOUR LIGHTS” was used as a trade mark in its own right. The cross-claimants submit that the words “HARBOUR LIGHTS”, the device and the words “A New Star Shines” were used as a composite trade mark.
6. In *E & J Gallo*, the registered trade mark consisted of the word BAREFOOT. The High Court considered whether the word “Barefoot” in combination with a device of a drawing of a bare foot was substantially identical. The High Court said at [69]:

The addition of the device to the registered trade mark is not a feature which separately distinguishes the goods or substantially affects the identity of the registered trade mark because consumers are likely to identify the products sold under the registered trade mark with the device by reference to the word BAREFOOT. The device is an illustration of the word. The monopoly given by a registration of the word BAREFOOT alone is wide enough to include the word together with a device which does not substantially affect the identity of the trade mark in the word alone. So much is recognised by the terms of s 7(1), which speak of additions or alterations which “do not substantially affect the identity of the trade mark”. Except for a situation of honest concurrent use, another trader is likely to be precluded from registering the device alone while the registered trade mark remains on the Register. The device is an addition to the registered trade mark that does not substantially affect its identity. Accordingly, the use of the registered trade mark with the device constitutes use of the registered trade mark in accordance with s 7(1).

1. The High Court contrasted the outcome in *Colorado Group*, saying at [68]:

The registered trade mark in that case was for the word “Colorado”, which, by reason of its geographical significance, was not inherently adapted to distinguish the owner’s goods from the goods of other persons as required by s 41(3) of the *Trade Marks Act*. As noted by Gyles J, it was difficult to obtain registration of a geographical name as a trade mark under the *Trade Marks Act 1955* (Cth) by reason of s 24(1)(d) of that Act. The trade mark for the word “Colorado” had been used in conjunction with a mountain peak device, which reinforced the geographical connotation of the word. Allsop J found that the mark used was a composite mark and that the mountain peak device was not a mere descriptor but a distinguishing feature.

1. In my opinion, the words “HARBOUR LIGHTS” together with the device and the words “A New Star Shines” formed a composite mark. There was a connection between all three parts of the mark because the image of the stars alluded to the word “Lights” in “Harbour Lights” and the words “A New Star Shines” alluded to the device and the word “Lights”. The device and the words “A New Star Shines” were not mere descriptors but were distinguishing features.
2. As a general rule, an owner of a composite mark is not the owner for trade mark purposes of the marks comprising each separate component of it: Re JB Palmer’s Trade Mark (1883) 24 Ch D 504, Richards v Butcher [1891] 2 Ch 522, *Colorado Group* at [7] per Kenny J. The question is whether the composite mark used is substantially identical to “Harbour Lights” or “Cairns Harbour Lights”.
3. In *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1963) 109 CLR 407 (“*Shell Company*”), Windeyer J discussed at 414 how it is to be judged whether one mark is substantially identical to another (Windeyer J’s judgment was reversed by the Full Court, but not on this point):

In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.

1. On a side by side comparison, the device and the additional words in the composite mark are so significant that the composite mark cannot be described as substantially identical to HARBOUR LIGHTS or CAIRNS HARBOUR LIGHTS. Mere similarity is not enough.
2. Even if the mark used in the advertisement is considered substantially identical to the registered trade marks, it was not used in relation to any of the Class 36 and Class 43 services, other than “commercial real estate agency services”.

#### Press release 20 November 2004

1. The cross-respondents rely on a press release issued by CHL which was published in the *Weekend Post Realtor*. The article was entitled “A New Star Shines”. It referred to “Harbour Lights” a number of times, but always as the name of the development.
2. The article dealt with the sales of lots, not the letting of the apartments. The use of “managed apartments” was a reference to the sale of apartments in the Managed Scheme. It did not use “Harbour Lights” in relation to services other than “commercial real estate agency services”.
3. I consider that “Harbour Lights” is substantially identical to “Cairns Harbour Lights” because “Cairns” is a geographical reference and is not distinctive in its own right. Therefore, this was use of a sign substantially identical to CAIRNS HARBOUR LIGHTS in relation to “commercial real estate agency services”. It was not used in relation to the leasing, rental and letting services and hotel services.
4. “Harbour Lights” was not used as a trade mark as it did not indicate a connection between the user and any services.

#### Advertisement 16 April 2005

1. On 16 April 2005, CHL placed an advertisement in *The Sydney Morning Herald*. It stated:

Harbour Lights is situated right on the waterfront in the heart of Cairns, close to everything this beautiful region has to offer. Boasting stunning views of the Coral Sea, rainforest-clad mountains and the city of Cairns, it’s no wonder this luxurious development is selling fast. Reside or invest, Harbour Lights is the opportunity of a lifetime.

Purchasing here guarantees absolute waterfront living with comfort second to none. Invest here and you have secured your piece of a tropical paradise that attracts 2.3 million visitors per annum, with management services provided by one of Australia’s leading operations, Mirvac Hotels and Resorts. But above all, be quick!

1. There is no evidence as to the meaning of “management services”. However, I accept that in the context the expression would be understood by an ordinary reader to refer to the service to be provided by Mirvac of managing the rental and letting of the apartments on behalf of owners. In respect of those services, the advertisement did not distinguish between apartments in the Residential Scheme and those in the Managed Scheme, and so covered both. In my opinion, each of the Class 36 and Class 43 services, other than “commercial real estate agency services” and “agency services for the leasing of real estate properties”, was encompassed within the term “management services”.
2. The issue is whether “Harbour Lights” was used as a trade mark in relation to the management services to be provided by Mirvac. The words “Harbour Lights” were used as the name of the development in which apartments are offered for sale and were also used in CHL’s domain name which resolved to its website promoting such sales. However, “Harbour Lights” was not used as a badge of origin in relation to the management services. The advertisement did not suggest, for example, that management services would be provided “by Harbour Lights”; but only that such services would be provided by Mirvac for the owners of the apartments in Harbour Lights. The advertisement did not indicate a connection between the user of the mark and rental and letting services or hotel services.
3. The advertisement also used the composite mark consisting of the words “Harbour Lights” and “A New Star Shines” and the image of five stars, but, for the reasons already given, it was not substantially identical to either of the registered trade marks in dispute.

#### Brochure May 2005

1. The cross-respondents next rely on a brochure described as a “Hotel Fact Sheet” created by Mirvac in May 2005 entitled “Splendour by the sea…the facts”. The brochure referred to “The Sebel Harbour Lights”, but did not use the words “Harbour Lights” by themselves. It set out features of the development including its location, accommodation, guest services and nearby attractions. By the use of headings such as “Guestroom layouts”, “Guest services” and “Guestroom features and facilities”, the brochure promoted the rental and letting services and hotel services offered by Mirvac.
2. I accept that “The Sebel Harbour Lights” was used as a trade mark in relation to the Class 36 and Class 43 services other than “commercial real estate agency services” and “agency services for the leasing of real estate properties”.
3. The cross-claimants submit that the trade mark used by Mirvac was “The Sebel Harbour Lights”. The cross-respondents submit that they used “The Sebel” and “Harbour Lights” as separate trade marks. The cross-respondents advance their submission by reference to the evidence of Mr Mezzatesta, who deposed that:

[T]he Cairns Harbour Lights hotel was initially branded using two brands, namely “Sebel” and “Harbour Lights”. Thus, on opening, it had a dual brand of “Sebel Harbour Lights”.

…

This dual branding strategy changed in 2009 for the Sebel Harbour Lights property and Accor thereafter branded it as “Cairns Harbour Lights”.

1. The cross-respondents submit that there are a number of factors that support the conclusion that “Harbour Lights” was used as a trade mark separately from “The Sebel”. They note that “Sebel” is a registered trade mark in its own right as, of course, is “Harbour Lights”. They point out that the initial advertising by CHL was for “Harbour Lights” and “Cairns Harbour Lights”, without “The Sebel”. In some advertising, “The Sebel” was used on a different line to “Harbour Lights”. The Sebel is a well known hotel chain with its own history and reputation, and was promoted separately in relation to other properties. The “Harbour Lights” sub-brand focussed on a specific market segment, namely, consumers looking for accommodation near Cairns Harbour, and thus had its own attributes over and above that of the Sebel brand. The Sebel brand was owned by a different entity to the “Harbour Lights” brand. It would have been irrational for Mirvac to remove “The Sebel” from the branding of the hotel in 2009 if “Harbour Lights” was not a trade mark in its own right (although I note that from 2009 the property was branded as “Cairns Harbour Lights”). The cross-respondents submit that “Harbour Lights” functions as a trade mark independently of the “Sebel” trade mark and, thus, use of “The Sebel Harbour Lights” is evidence of use of both “The Sebel” and “Harbour Lights”.
2. I accept that “The Sebel Harbour Lights” consists of two brands which are each registered trade marks. I accept that the use of two brands together to market a hotel is common. I accept that there were sound marketing reasons for Accor promoting its services by the use of “The Sebel Harbour Lights”, which reflected the reputation or attributes of each brand. However, the focus of the cross-respondents on brands tends to distract from the real issue, which is whether “Harbour Lights” was used as a trade mark in the brochure: cf *Unilever Aust Ltd v Karounos* (2001) 113 FCR 322 at [53] per Hill J.
3. The cross-respondents’ submissions invite attention to Mirvac’s intention and purpose in using “The Sebel Harbour Lights”. The effect of Mr Mezzatesta’s evidence is that Mirvac considered that it was using “The Sebel” and “Harbour Lights” as separate trade marks. The cross-respondents’ submissions suggest that the test must be a subjective one or involve subjective elements. They do not point to any authorities supporting that approach.
4. The question under consideration is whether Accor used “Harbour Lights” as a trade mark in the brochure. That involves an objective test. The issue of precisely what words or combination of words were used as a trade mark is a slightly different question, but there is support for the proposition that this also involves an objective test.
5. In *Richards v Butcher*, Kay J at first instance said at 536-537:

Now, how can I possibly say that the purchaser of a bottle with this wrapper on it, “*Monopole, Heidsieck & Co, Reims*,” would know that “*Monopole*” was the trade-mark and “*Heidsieck & Co., Reims*,” was not? How can I say that? I should not know myself. If I were asked I should suppose that “*Monopole*” was a description of a special wine made by these gentlemen, and that “*Monopole*” was never intended to be a trade-mark; and I should be strongly fortified in that view by knowing, as I do know now, that on some other wines they put, not “*Monopole*,” but “*Dry Monopole*.” Surely that meant some particular character of wine. Then on some others they put, “*Grand Vin Royal*” and “*Sillery Mousseux*.” Therefore, it is clear enough that a purchaser buying a bottle of wine with that wrapper upon it would not know from that wrapper that “*Monopole*” was alone used there as the trade-mark. That is conclusive, because it is what the purchaser would know - not what the seller meant in his own mind – it is what the purchaser would know and judge was used as the trade-mark which must establish the user as a trade-mark of the word “*Monopole*” only.

1. The Court of Appeal dismissed an appeal from the judgment of Kay J and their Lordships’ judgments are consistent with the test being an objective one. The judgment of Kay J was cited with approval by Lord MacMillan in *Bass, Ratcliff and Gretton Limited v Nicholson and Sons Limited* [1932] AC 130 at 156.
2. As the brochure was created in May 2005, some two years prior to the completion of the building, it is likely to have been directed to persons who had contracted to buy a lot or were considering doing so, and it is necessary to consider how the words would be understood by an ordinary member of that class. In my opinion, such a person would understand “The Sebel Harbour Lights” to be used as a single sign. The natural reading of those words is as a single phrase. Each of the words commenced with a capital letter, which grouped the words together and distinguished them from the surrounding words. Such a person would not view “The Sebel” as one sign and “Harbour Lights” as a separate one. The whole of the words appeared to be used together, and there was nothing to indicate that they were to be considered separately. While Mr Mezzatesta’s evidence may have some relevance to how an ordinary person would understand the use of the words, that evidence is not persuasive. In my opinion, Accor must be taken to have used “The Sebel Harbour Lights” as a trade mark, not “Harbour Lights”.
3. The next question is whether “The Sebel Harbour Lights” is substantially identical to “Harbour Lights” and “Cairns Harbour Lights”. For marks to be substantially identical there must be a total impression of similarity emerging on a comparison of the two marks (see [110]).
4. In my opinion, “The Sebel Harbour Lights” is a substantially different mark to “Harbour Lights” and “Cairns Harbour Lights”. The words “The Sebel” are distinctive and not merely descriptive. I am assisted in this conclusion by the analysis of Gummow J in *Carnival Cruise Lines* at 513*.*

#### Magazine Article 29 June 2005

1. The next publication relied upon by the cross-respondents is an article appearing in *Traveltrade* entitled “Cairns limelight for Mirvac”. The article referred to “the Sebel Harbour Lights”. Again, I consider that an ordinary reader would understand this mark to be used as a single mark. It is substantially different to “Harbour Lights” and “Cairns Harbour Lights”.

#### Advertisement October 2005

1. Mirvac caused an advertisement for “Sebel Harbour Lights Cairns” to be published in a brochure entitled *Sunlover Far North Queensland* printed in October 2005. Again, the mark used would be understood as a single mark, and it is not substantially identical to the registered trade marks.

#### Press release December 2005

1. There are the same difficulties with a press-release issued by Mirvac in December 2005 which referred to “The Sebel Harbour Lights” and “The Sebel Harbour Lights Cairns”.

#### Article 17 December 2005

1. An article was published in the *Cairns Weekend Post Realtor* entitled “lighting up cairns” on 17 December 2005. It appears that CHL paid for the article to be published.
2. The article said, relevantly:

With 95 m of absolute water frontage, Harbour Lights allows the chance to turn that vision into reality.

…

Nestled on the Cairns foreshore between the Hilton Hotel and Reef Fleet Terminal, Harbour Lights Apartments provide spectacular views of the Coral Sea, Cairns marina, Esplanade Lagoon, inner city Cairns and the surrounding rainforest clad mountains.

…

The property is divided into 101 residential and 92 managed apartments. The managed operator is Mirvac Hotels and Resort, which will operate Sebel Harbour Lights to cater to the tastes of the most discerning guest.

…

In early 2006, an on-site display apartment will open allowing you to imagine life at Harbour Lights for yourself or how good an investment it will be.

1. I accept that by the use of the term “managed operator” and the words that follow, “Sebel Harbour Lights” was used as a trade mark in relation to rental and letting services and hotel services. The difficulty is that “Sebel Harbour Lights” was used as a single mark and is not substantially identical to “Harbour Lights”.
2. The references in the article to “Harbour Lights” are to the name of the development and do not amount to use as a trade mark.

#### Advertisement 17 December 2005

1. The cross-respondents rely on an advertisement in *Weekend Post Realtor* on 17 December 2005. It had the heading “Three year fixed rent lease option now available”.
2. The advertisement contained the composite mark consisting of the words “Harbour Lights” with the device consisting of five stars and the words “A New Star Shines”.
3. The advertisement stated “The Sebel Harbour Lights Cairns is the star performer in luxurious waterfront managed apartment investments”. That statement was followed by other statements including “3 Year Fixed Rent Leaseback Option now available”.
4. I accept that the advertisement referred to both the sale of lots and to the leasing of lots back to either the developer or “The Sebel Harbour Lights Cairns”. An ordinary reader would infer that the apartments would then be leased, rented or let to members of the public. The mark “The Sebel Harbour Lights Cairns” was used as a trade mark in relation to each of the Class 36 and Class 43 services.
5. The next question is whether either of the marks used in the advertisement is substantially identical to “Harbour Lights” and “Cairns Harbour Lights”. They are not substantially identical for the reasons I have already given (see [111] and [130]).

#### Advertisement spring 2006

1. The next publication relied on by the cross-respondents is an advertisement in *The Financial Review* published in the spring of 2006. That advertisement was similar to the one published on 17 December 2005, except that the heading is “Only the best address in Cairns offers these absolute waterfront views!”
2. The advertisement contained the words “HARBOUR LIGHTS” with five stars depicted above it. Below it appear words which are indecipherable on the copy in evidence but which I infer are “A New Star Shines”. I again consider that the mark is a composite mark and is not substantially identical to “Harbour Lights” and “Cairns Harbour Lights”.
3. There is again the difficulty that “The Sebel Harbour Lights Cairns” is used as a single mark and is not substantially identical to the registered trade marks.
4. The advertisement contained the words “Developed by Cairns Harbour Lights Pty Ltd”, but those words are not relied on by the cross-respondents.

#### Brochure late 2006

1. The cross-respondents point to a brochure which they say was printed in late 2006 by CHL. There is no evidence of the precise date.
2. The brochure used the composite mark “HARBOUR LIGHTS” with the image of the stars above and the words “A New Star Shines” below. It is not substantially identical to the registered trade marks.
3. The brochure stated:

Harbour Lights is situated right on the waterfront in the heart of Cairns…it’s no wonder this luxurious development is selling fast.

Purchase an apartment here and you’ll enjoy comfort second to none. Invest here and you’ll benefit from what only the most unique development can offer with management services provided by one of one of Australia’s leading operators, Mirvac Hotels and Resorts.

1. The reference to management services, I accept, involves the service of renting or letting apartments and hotel services. However, “Harbour Lights” was used to describe only the name of the development and not to indicate a connection between the user and the rental and letting or hotel services. It was not used, even in part, as a badge of origin.

#### Fact sheet late 2006

1. There is a fact sheet entitled “Splendour by the sea…the facts Opening June 2007” said to have been printed in late 2006 by Mirvac. It referred to “The Sebel Harbour Lights”. This, again, was used as a single mark and lacks substantial identity with the registered trade marks.

#### Brochure late 2006

1. In late 2006 a listing for “The Sebel Harbour Lights” was published in an *Abbey Travel* brochure. Again, the mark used was a single trade mark and is not substantially identical to the registered trade marks.

#### Brochure June 2007

1. There is a brochure said to have been printed prior to June 2007 which referred to “Cairns Harbour Lights”. The brochure was only for the sale of apartments. In addition, that name was used only as the name of the development and was not trade mark use.

#### Information given to potential purchasers

1. Mr Chapman deposed that:

From approximately December 2004, prior to a potential purchaser signing a contract of sale, the potential purchaser was informed that Mirvac was to be the caretaker and exclusive on-site letting agent. The potential purchaser was routinely told this in the sales process, before a contract of sale was prepared, because CHL considered it to be advantageous that a high quality operator such as Mirvac was the on-site manager. The contract of sale included a disclosure statement and, for the Managed Scheme or investors buying in the Residential Scheme, also a PDS (product disclosure statement) that had this information.

1. The applicants submit that:

In addition, from December 2004, CHL used “Harbour Lights” as a trade mark in relation to agency services for the leasing of real estate when it was selling apartments in the hotel to potential purchasers and, upon settlement, assisting some of those purchasers find tenants for their apartments. Prior to any off-the-plan sale, the potential purchasers would be advised that Mirvac (now Accor) was the on-site letting agent. This was to encourage the purchaser to put the apartment in the letting pool to be managed by Mirvac (now Accor). The contract of sale included a disclosure statement and PDS which disclosed this fact and a copy of the by-laws of the schemes.

(Emphasis in original.)

1. Mr Chapman’s evidence indicates that potential purchasers were told that Mirvac would be operating as an on-site letting agent. It does not indicate that potential purchasers were told that Mirvac would be offering its services using the name “Harbour Lights” or “Cairns Harbour Lights”, or that it would otherwise be using either name as a badge of origin. I also note that the PDS itself was not a part of the evidence before the Court.
2. I do not accept that CHL used “Harbour Lights” or “Cairns Harbour Lights” as a trade mark in relation to “agency services for the leasing of real estate”, or any other services, in the way contended for when it was selling apartments and assisting purchasers to find tenants.

#### CHL’s use of business name

1. Mr Chapman deposed that “CHL (or its related entities) has used the Trade Marks in the following Queensland registered Business Names, with permission from CHL”. One of the business names he then set out is “Cairns Harbour Lights Management”. That business name was registered on 25 May 2005.
2. I did not understand the cross-respondents to submit that the use of “Cairns Harbour Lights Management” established ownership of the trade marks. That may be because there was no evidence of when it was used and in relation to what services and whether it was used as a trade mark.

#### CHL’s real estate agency services

1. Mr Chapman deposed that CHL has been operating a licenced permanent letting and sales agency through its wholly owned subsidiary Cairns Harbour Lights Management Company Pty Ltd (“CHLMC”) since 2008. He deposed that “CHLMC has provided real estate services, both sales and long term letting, under the Trade Marks”. I infer that this is intended to mean that CHLMC has used the trade marks as trade marks in respect of its real estate services. CHLMC was not incorporated until 27 November 2008, so could not have offered any services until then.
2. I accept that CHL has authorised CHLMC to use the registered trade marks in respect of “commercial real estate agency services” and “agency services for the leasing of real estate properties”. I am required to use an objective test to decide whether the trade marks were used as trade marks since late 2008. In the absence of evidence as to how the trade marks were used, I cannot conclude that they were used as trade marks.
3. The cross-respondents did not rely on any other use of “Harbour Lights” and “Cairns Harbour Lights” between 2007 and 21 January 2009, when HARBOUR LIGHTS was registered as a trade mark. Accor certainly continued to use “The Sebel Harbour Lights” to promote its management services during that time, but, as I have said, that it not substantially identical to “HARBOUR LIGHTS” or “CAIRNS HARBOUR LIGHTS”.
4. In summary, CHL used “Harbour Lights” and “Cairns Harbour Lights” as trade marks in relation to “commercial real estate agency services” prior to 21 January 2009. It did not use the trade marks as trade marks in respect of any of the other Class 36 and Class 43 services prior to that date.

### First use by Ms Bradnam

1. I will next consider when Ms Bradnam first used “Harbour Lights” and “Cairns Harbour Lights” as trade marks in respect of any of the Class 36 and Class 43 services.
2. Ms Bradnam purchased a lot in the Managed Scheme on 5 April 2005. Her then partner bought two apartments in the Residential Scheme at about the same time. After her partner told her that he thought that Mirvac’s fees for management were too expensive, Ms Bradnam decided to start a letting business in respect of apartments at the Harbour Lights complex.
3. In early October 2006, Ms Bradnam undertook searches to see what domain names were available and discovered that cairnsharbourlights.com.au and harbourlightscairns.com.au were available. She registered those domain names on 4 October 2006. She later registered harbourlightscairns.com on 17 January 2007.
4. In early October 2006, Ms Bradnam engaged a website designer to design and build a website for her business. On 31 October 2006, she caused her website to “go live” and began advertising her apartment and those of her partner to the public in preparation for the commencement of her new business. Each of her domain names resolved to her website.
5. On 7 March 2007, Ms Bradnam registered the business name “Harbour Lights Property Management and Sales”.
6. On 29 June 2007, settlement of the purchase of her apartment and her partner’s two apartments was completed. Ms Bradnam’s business then commenced trading. Initially this consisted of holiday letting for her apartment and her partner’s apartments. Later she provided a service involving both holiday letting and long-term letting to other lot owners. She made one sale while she operated the business. She traded under the name “Harbour Lights Property Management and Sales”.
7. Ms Bradnam operated her business from her apartment in the Managed Scheme until 1 November 2008, when she moved her business following a complaint by the body corporate. By 2009 she was managing approximately 30 apartments in the Managed Scheme and the Residential Scheme.
8. As CHL and Accor did not use the marks “Harbour Lights” and “Cairns Harbour Lights” as trade marks in relation to any of the Class 36 and Class 43 services other than “commercial real estate agency services” prior to 21 January 2009, the issue is whether Ms Bradnam did so at an earlier time. She does not claim to have used the trade marks in relation to hotel services. The question is whether Ms Bradnam used the trade marks as trade marks in relation to leasing, letting and rental services prior to CHL and Accor.
9. Ms Bradnam’s claim of first use of the trade marks in relation to the leasing, letting and rental services is based upon use on her website, her use of domain names and her use of a business name.

#### Ms Bradnam’s website from 31 October 2006

1. The home page of Ms Bradnam’s website which “went live” on 31 October 2006 had an aerial photograph of the Great Barrier Reef at the top of the page. Underneath the photograph was the heading “hlp Harbour Lights Private Apartments”. The letters “hlp” were in larger font than the words that followed.
2. Underneath the heading were various tabs, which were apparently able to be clicked-on to bring up other pages on the website. Those other pages are not in evidence.
3. The following words then appeared on the home page:

Cairns Luxury Accommodation

*Take a stroll through luxury*

Cairns most luxurious and absolute waterfront 5 star holiday apartments, Harbour Lights Private, are about to be released.

Located on the most sought after blue ribbon real estate, these architecturally designed apartments offer the most discerning traveller the ultimate in exclusive, private, premier accommodation.

Each apartment boast the utmost in privacy, tranquillity and all showcase the breathtaking beauty of the Coral Sea, hinterland, and harbour lights.

The apartments offer a quality unsurpassed in the prestigious private holiday market.

The spacious apartments provide every item you need for your getaway, from flat screen televisions, to soft and indulgent linen. If you do dare leave, you can take a dip in the swimming pool, have a glass of wine in the private bar, and all the while, gaze over the horizon to the Great Barrier Reef.

While nestled inside the exclusive CityPort marina it is hard to believe how close you are to the bustling city centre, but boutique shopping, fine cuisine, and entertainment are a mere one minute stroll along the beautifully night lit and adjoining jetty.

1. The positioning of “hlp” was such that it would be naturally read in combination with “Harbour Lights Private Apartments”, rather than separately from those words. The letters “hlp” were distinctive, including because of their size, and were not a mere descriptor attached to “Harbour Lights”. In my opinion, the mark “hlp Harbour Lights Private Apartments” is not substantially identical to “Harbour Lights” or “Cairns Harbour Lights”.
2. Later the webpage referred to “Harbour Lights Private”. In their context, those words would appear to a reader to be a reference to the name of the apartments. Those words were not used as a badge of origin in respect of rental or letting services.
3. The website also referred to “harbour lights” to describe the view available from the apartments. Those words were not used as a trade mark.
4. There are a number of later versions of the home page of Ms Bradnam’s website in evidence. The versions presently relevant are those before 21 January 2009, when “Harbour Lights” was registered, and before 21 April 2009 when “Cairns Harbour Lights” was registered. There are versions of the home page in evidence at the following dates:
5. 18 December 2006;
6. 1 April 2007;
7. 9 May 2007;
8. 9 August 2007;
9. 30 August 2007;
10. 12 October 2007;
11. 12 November 2007;
12. 12 December 2007;
13. 12 February 2008;
14. 16 March 2008;
15. 20 March 2008;
16. 11 May 2008;
17. 12 June 2008;
18. 18 July 2008;
19. 11 December 2008;
20. 12 December 2008;
21. 21 December 2008;
22. 20 February 2009;
23. 21 February 2009;
24. 6 March 2009;
25. 13 April 2009;
26. 16 April 2009.
27. After 18 December 2006, the heading of the home page was changed to “hlp harbour lights luxury apartments” and the subheading to “Cairns Luxury Accommodation – Holiday Apartments With Class”. A box was added to the side of the text with a photograph of the complex and text that read “luxury harbour side living from $240 per night”. That price later changed to “$99 per night”. After 1 April 2007, the words “about to be released” were changed to “have recently been released”. After 12 February 2008, a section was added to allow viewers to type in the type of apartment sought, the arrival date and the number of nights sought. None of these changes affect my conclusion.
28. By 13 April 2009, the heading had been changed to “harbour lights cairns – the luxury collection”. In my opinion, the new heading would naturally be read as a whole. The words “the luxury collection” were allusive, rather than merely descriptive. I consider that “harbour lights cairns – the luxury collection” is not substantially identical to the registered trade marks HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS.
29. My conclusion is that Ms Bradnam did not use any mark substantially identical to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS as a trade mark on her website prior to 21 January 2009 or 21 April 2009.

#### Ms Bradnam’s use of domain names

1. The three domain names registered by Ms Bradnam were:

(a) cairnsharbourlights.com.au;

(b) harbourlightscairns.com.au; and

(c) harbourlightscairns.com.

1. Ms Bradnam used each of those domain names to resolve to her website. It is necessary to examine whether such use of the domain names amounted to use as trade marks and whether the domain names were substantially identical to the registered trade marks and used in connection with the Class 36 and Class 43 services.
2. As Reeves J said in *Mantra Group v Tailly* at [50], if the domain name is linked to a website that contains advertising material that promotes goods or services in relation to which the trade mark is registered, this combination could constitute use as a trade mark. In *Edgetech International*, Reeves J said that use of a domain name to direct potential customers to a website displaying a person’s goods and services is analogous to using those words as a sign on the front of a shop to indicate the goods and services that are sold within. In the present case, I consider that Ms Bradnam’s use of the domain names to direct potential customers to her website which advertised her services was use of the domain names as a trade mark. It was use of the domain names as a badge of origin to indicate a connection between her business and the services it provided.
3. It is apparent from the home page (despite the absence of the other pages of the website) that Ms Bradnam’s website advertised apartments for short-term rental and letting. The letting advertised was holiday letting. The home page refers to “the most discerning traveller” and “your getaway”. The services advertised are all the Class 36 and Class 43 services other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.
4. When Ms Bradnam started operating the website on 31 October 2006 she had an existing intention to offer the services she advertised. From about July 2007, when the complex had been built, she engaged in actual trade on the website.
5. In considering whether the domain names are substantially identical to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS, the prefixes “www” and suffixes “.com” and “.com.au” should be disregarded. The domain names are each substantially identical to HARBOUR LIGHTS because the word “Cairns” is merely a geographical reference, not distinctive in its own right. One of the domain names is identical to CAIRNS HARBOUR LIGHTS when shorn of the prefix and suffix. The rearrangement of the words in the other two domain names to “harbourlightscairns” does not substantially affect their identity. Therefore, I consider that by the use of the domain names to resolve to her website, Ms Bradnam used trade marks substantially identical to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS.
6. The use of the domain names by Ms Bradnam was use as trade marks. She used the domain names in respect of each of the Class 36 and Class 43 services other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services. They were so used from 31 October 2006, but even if this is wrong, by no later than July 2007.

#### Ms Bradnam’s use of business name

1. Ms Bradnam traded under the business name “Harbour Lights Property Management and Sales”. She deposed, referring to her domain names and business names, that “The reason I used the words ‘Harbour Lights’ in these names was simply common sense so guests knew the apartments were located in Harbour Lights CTS and Harbour Lights Managed Apartments CTS”. However, whether the words were used as a trade mark must be determined objectively.
2. Ms Bradnam’s evidence was that she used “Harbour Lights Property Management and Sales” to trade in some general but unspecified ways. She also deposed to some specific uses of that business name. For example, she entered into agreements for the letting of apartments under the business name.
3. I will first consider whether any finding can be made that general and unspecified use of the business name by Ms Bradnam amounts to use as a trade mark of a substantially identical name in relation to any of the Class 36 and Class 43 services. The cross-claimants’ submissions rely on such general use, contending that she was the first user of the trade marks because “From 7 March 2007 until early 2009 Bradnam traded under the business name ‘Harbour Lights Property Management and Sales’”.
4. Section 5(1) of the *Business Names Act 1962* (Qld) (now repealed) prohibited the carrying on of a business in Queensland under a business name unless either the business name consisted of the name of the person operating the business, or the business name was registered. Ms Bradnam’s registration of her business name allowed her to carry on business under that name.
5. When a person carries on a business using a business name, a purpose of that use must be to distinguish that person’s business from other businesses. That will often be done in order to distinguish the goods or services provided by the person’s business from those provided by another business, but that will not necessarily be the case. For example, the business name may appear on brochures and other material promoting the businesses’ goods or services; or letters may be written to employees, to regulatory authorities and the like that identify the business, but do not refer to or concern the goods or services of the business.
6. I consider that Ms Bradnam’s evidence of use of the registered business name in a general way, without specifying the uses, does not establish that the business name was used to distinguish the services provided by her business from those provided by other businesses. She may have merely used the business name to identify her business. I find that the cross-claimants have not proved that such general use was trade mark use.
7. There is, however, evidence of more specific use of the business name “Harbour Lights Property Management and Sales” by Ms Bradnam prior to 21 January 2009.
8. Ms Bradnam annexed six examples of agreements with owners of apartments in the Harbour Lights complex to her affidavits. Each of those agreements was between a named owner and “Harbour Lights Property Management & Sales”. Only the first page of five of the agreements is provided, so that the dates of those agreements are not apparent. The sixth, however, is dated 10 August 2007. That agreement states that the client appoints the agent to perform the services of “Letting/leasing of property” and “Collection of rent”. The agreement sets out rental charges for permanent rental and holiday rental.
9. I accept that the agreement of 10 August 2007 demonstrates use by Ms Bradnam of the name “Harbour Lights Property Management and Sales” in relation to each of the Class 36 and Class 43 services other than “commercial real estate agency services” and the hotel services.
10. The business name was used as a badge of origin to indicate a connection between Ms Bradman’s business and the services it provided. It distinguished the services provided by that business from services provided by others. It was use of the business name as a trade mark.
11. It is necessary to consider whether the business name “Harbour Lights Property Management and Sales” is substantially identical to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS. In my opinion, the words “Property Management and Sales” are purely descriptive of the services offered by “Harbour Lights”. Those words are not distinctive in their own right. Therefore, “Harbour Lights Property Management and Sales” is substantially identical to HARBOUR LIGHTS. That business name is not, however, substantially identical to CAIRNS HARBOUR LIGHTS. Even though Cairns is a geographical name which is not distinctive in its own right, “Harbour Lights Property Management and Sales” and CAIRNS HARBOUR LIGHTS when compared side by side are too dissimilar to be substantially identical.
12. I find that Ms Bradnam used a trade mark substantially identical to HARBOUR LIGHTS as a trade mark in relation to the Class 36 and Class 43 services other than the hotel services in the agreement dated 10 August 2007.

#### Harbour Lights Caravan Park

1. The cross-claimants relied upon a search showing that the name “Harbour Lights Caravan Park” had been registered as a business name in 1994. They alleged that this was the first use of the “Harbour Lights” trade mark. However, the evidence does not establish the use of “Harbour Lights Caravan Park” as a trade mark, nor when it was first used, nor in relation to which services.

### Summary of findings as to ownership of trade marks

1. CHL applied for the registration of HARBOUR LIGHTS on 21 January 2009 and CAIRNS HARBOUR LIGHTS on 21 April 2008 and obtained registration of those marks in respect of a number of specified services in Class 36 and Class 43. I have found that prior to 21 January 2009, neither CHL nor Accor had used those marks or any substantially identical mark as trade marks in respect of such services other than “commercial real estate agency services” (see [165]). CHL is the owner of the trade mark HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS in respect of “commercial real estate agency services”. CHL is also the owner of both trade marks in relation to the hotel services by reason of the registration of those trade marks in circumstances where there was no prior use in relation to those services (see [59] and [60]).
2. I have found that Ms Bradnam did use trade marks substantially identical to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS as trade marks from 31 October 2006 as domain names linked with her website (see [187]-[191]) and a mark substantially identical to HARBOUR LIGHTS on 10 August 2007 in an agreement with an owner (see [200]-[203]). Ms Bradnam was the first user of the trade marks in respect of the leasing, letting and rental services. It follows that CHL is not the owner of the trade marks in respect of those services.
3. It is not strictly necessary for me to determine whether Ms Bradnam retains ownership of the trade marks. Under s 58 of the TMA, the ground of opposition to registration requires only that CHL is not the owner. However, as the issue of current ownership will become relevant later, I will consider it now. At common law, anyone claiming under a valid assignment from the original owner is the proprietor of the trade mark: *Marcus v Sabra International Pty Ltd* (1995) 30 IPR 261 at 266, per Burchett J. There was a written contract between Ms Bradnam and Liv for the sale of Ms Bradnam’s business. That contract incorporated the REIQ’s *Standard Conditions of Sale – Business Sale.* Clause 3.1 shows that the sale includes the intellectual property of the business. Liv is not one of the cross-claimants, but is presently the owner of the trade marks at common law.

## Section 41 TMA – Whether the trade marks are capable of distinguishing the services

1. The cross-claimants’ next argument is that the trade marks should be removed from the Registerbecause they are not capable of distinguishing the cross-respondents’ services. At the time each of the applications for registration was made, s 41 of the TMA provided:

**41 Trade mark not distinguishing applicant’s goods or services**

(1) For the purposes of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be a use of the trade mark by the applicant.

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant’s goods or services in respect of which the trade mark is sought to be registered (“*designated goods or services*”) from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

(4) Then, if the Registrar is still unable to decide the question, the following provisions apply.

(5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use, of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken not to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons.

(6) If the Registrar finds that the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

(a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant—the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in any other case—the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

1. In *Chocolaterie Guylian NV v Registrar of Trade Marks* (2009) 180 FCR 60 at [93], Sundberg J described the steps that the Registrar must take under s 41 in order to decide whether to allow the registration of a trade mark. I respectfully adopt his Honour’s analysis, without setting it out here.

### Section 41(3) – Extent to which the trade marks are inherently adapted to distinguish

1. In *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511, Kitto J said at 513-514:

That ultimate question must not be misunderstood. It is not whether the mark will be adapted to distinguish the registered owner's goods if it be registered and other persons consequently find themselves precluded from using it. The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In *Registrar of Trade Marks v. W. & G. Du Cros Ltd*. [1913] A.C. 624, at pp. 634, 635 Lord *Parker* *of Waddington*, having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not “ adapted to distinguish ” the applicant's goods, defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return for an understanding of the problem in a case such as the present. His Lordship said: “The applicant's chance of success in this respect [i.e. in distinguishing his goods by means of the mark, apart from the effects of registration] must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connexion with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what others may legitimately desire to use.” The interests of strangers and of the public are thus bound up with the whole question, as *Hamilton* L.J. pointed out in the case of *R. J. Lea, Ltd*. [1913] 1 Ch. 446, at p. 463; but to say this is not to treat the question as depending upon some vague notion of public policy: it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives – in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess – will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

1. In *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2014) 315 ALR 4, French CJ, Hayne, Crennan and Kiefel JJ explained Kitto J’s judgmentat [57]:

In *Clark Equipment*, Kitto J considered for the purposes of registration in Pt B the word “Michigan”, which had acquired distinctiveness through 20 years of use in respect of the applicant’s goods despite the fact that it was a geographical name of a State in America. After approving Lord Parker’s test in *Du Cros* and Hamilton LJ’s observation in *RJ Lea*, his Honour explained that directly descriptive words, like geographical names, are not prima facie suitable for the grant of a monopoly because use of them as trade marks will rarely eclipse their “primary” (that is, ordinary) signification. Such a word, his Honour said, “is plainly not inherently, that is in its own nature, adapted to distinguish the applicant’s goods”. Traders may legitimately want to use such words in connection with their goods because of the reference they are “inherently adapted to make” to those goods. Kitto J’s elaboration of the principle, derived from Lord Parker’s speech in *Du Cros*, applies with as much force to directly descriptive words as it does to words which are, according to their ordinary signification, geographical names.

1. Although *Cantarella Bros* was concerned with the question of whether foreign words were inherently adapted to distinguish, the judgment of the majority is also relevant to English words. Their Honours said at [59]:

The principles settled by this court (and the United Kingdom authorities found in this court to be persuasive) require that a foreign word be examined from the point of view of the possible impairment of the rights of honest traders and from the point of view of the public. It is the “ordinary signification” of the word, in Australia, to persons who will purchase, consume or trade in the goods which permits a conclusion to be drawn as to whether the word contains a “direct reference” to the relevant goods (prima facie not registrable) or makes a “covert and skilful allusion” to the relevant goods (prima facie registrable). When the “other traders” test from *Du Cros* is applied to a word (other than a geographical name or a surname), the test refers to the legitimate desire of other traders to use a word which is directly descriptive in respect of the same or similar goods. The test does not encompass the desire of other traders to use words which in relation to the goods are allusive or metaphorical. In relation to a word mark, English or foreign, “inherent adaption to distinguish” requires examination of the word itself, in the context of its proposed application to particular goods in Australia.

1. The majority continued:

[70] In accordance with the principles established in *Mark Foy’s* and restated in *Clark Equipment*, *Faulding* and *Burger King*, determining whether a trade mark is “inherently adapted to distinguish”, as required by s 41(3), requires consideration of the “ordinary signification” of the words proposed as trade marks to any person in Australia concerned with the goods to which the proposed trade mark is to be applied.

[71] As shown by the authorities in this court, the consideration of the “ordinary signification” of any word or words (English or foreign) which constitute a trade mark is crucial, whether (as here) a trade mark consisting of such a word or words is alleged not to be registrable because it is not an invented word and it has “direct” reference to the character and quality of goods, or because it is a laudatory epithet or a geographical name, or because it is a surname, or because it has lost its distinctiveness, or because it never had the requisite distinctiveness to start with. Once the “ordinary signification” of a word, English or foreign, is established an inquiry can then be made into whether other traders might legitimately need to use the word in respect of their goods. If a foreign word contains an allusive reference to the relevant goods it is prima facie qualified for the grant of a monopoly. However, if the foreign word is understood by the target audience as having a directly descriptive meaning in relation to the relevant goods, then prima facie the proprietor is not entitled to a monopoly of it. Speaking generally, words which are prima facie entitled to a monopoly secured by registration are inherently adapted to distinguish.

(Footnotes omitted.)

1. In *Registrar of Trade Marks v W & G Du Cros Ltd* [1913] AC 624 at 635, Lord Parker said that the registrability of a trade mark as being distinctive should:

…largely depend upon whether other traders are likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark merely resembling it, upon or in connection with their own goods.

1. In *Cantarella Bros* the majority said of this passage at [73]:

Lord Parker was not referring to the desire of traders to use words, English or foreign, which convey an allusive or metaphorical meaning in respect of certain goods.

1. In *Mantra IP Pty Ltd v Spagnuolo* (2012) 205 FCR 241, Reeves J at [52] referred to the authorities concerning s 41(3) and summarised the principles as follows:

In summary, the principles that can be extracted from these authorities, bearing on the assessment required by s 41(3) of the Act in the present case, are as follows. [The opponent] bears the onus of persuading the court on the balance of probabilities that the word mark “Q1” should not be registered. In discharging that onus, regard must be had to the presumption of registrability in s 33 of the Act. The assessment under s 41(3) looks to the mark itself and its inherent nature; it does not take into account the effect of use; it considers how the mark would be understood by ordinary Australians seeing it for the first time. The question can be tested by asking whether other traders trading in services of the same or a similar kind and only actuated by proper motives are likely to want to use the mark in connection with the same or similar services. A proper motive is one founded on the “common right of the public to make honest use of words forming part of the common heritage”. Signs that are descriptive in nature, or use a geographical name, form part of the “common heritage” and, therefore, cannot usually be inherently distinctive. This test is to be applied negatively, not positively and the assessment is to involve a “practical evaluative judgment…in the real world”.

1. I respectfully adopt the summary of principles given by Reeves J, subject to reading them in the context of the decision in *Cantarella Bros*.
2. The cross-claimants submit that the trade marks are not inherently adapted to distinguish the services of Accor or CHL from the services of other persons in circumstances where:

(a) HARBOUR LIGHTS simply adopts the names of the community titles schemes;

(b) CAIRNS HARBOUR LIGHTS simply adopts the names of the community titles schemes save for the word “Cairns”, which is the name of the city in which the schemes are located and which forms part of the common heritage;

(c) at the time of applying for registration of the trade marks, CHL was not the sole owner of all apartments in the Harbour Lights schemes; and

(d) the schemes are governed by by-laws which prevent the body corporate from entering into an exclusive letting rights agreement in relation to all the residential apartments in the schemes (ss 16(2), 169(1) and 180(3) and (4) of the *Body Corporate and Community Management Act 1977* (Qld) (“the BCCM Act”)), meaning that individual lot owners have the right to use whomever they wish to let their apartments.

1. The cross-claimants submit that other traders, including other lot owners and their agents, will want to, and in fact need to, use the names “Harbour Lights” and “Harbour Lights Cairns” legitimately (that is, without any intention to trade on the reputation of Accor or CHL) for the sake of geographical reference. They submit that the trade marks are descriptive of a characteristic or quality of the services offered by Accor or CHL, namely that they are used in connection with a geographic location. They submit that the services are connected with the lots comprising the two community titles schemes. The lots are real property and are a geographic location, and the services comprise of provision of an entitlement to occupy a geographic location. They submit that the services are so closely related to the lots that the services are largely indistinguishable from the lots themselves.
2. The cross-claimants submit that other traders, whether lot owners or their agents, would seek to use the name of the community titles schemes for their ordinary geographic significance. They submit that other traders would of necessity refer to the lots comprised in the community titles schemes to describe the services offered by them, namely the entitlement to occupy the lots comprised in the scheme.
3. The cross-claimants submit that lot owners in a community titles scheme have a common heritage. They argue that it follows that the lot owners have a right in common with other owners to use the name of the scheme to signify the location of their apartments which they let, in the same way that traders in a town have a right to use the name of the town to signify the location of their services provided from within the town.
4. The cross-claimants also argue that permitting an on-site agent to register as a trade mark the name of a community titles scheme is contrary to the provisions of the BCCM Act, which are designed to give lot owners freedom of choice as to whomever they wish to act as their agent to let their apartments.
5. The cross-claimants rely on Note 1 to s 41(6), which stated that trade marks that are not inherently adapted to distinguish goods, are mostly those that consist wholly of a sign that is ordinarily used to indicate the kind, quality, quantity, intended purpose, value, geographical origin or some other characteristic of the goods or the time of production of goods. In *Ocean Spray Cranberries Inc v Registrar of Trade Marks* (2000) 47 IPR 579, Wilcox J at [30] noted that although the note “does not have legislative force… it fairly reflects the trend of relevant judicial authority”.
6. The cross-respondents submit that the present case is indistinguishable from *Mantra IP v Spagnuolo* and *Mantra Group v Tailly* where the same issues were decided. They submit that “Harbour Lights” was coined by CHL, is not descriptive, is not a geographical name and is not part of the common heritage. They argue that registration of the trade marks does not prevent lot owners from using the words “Harbour Lights” to describe the place where their apartment is located, but merely prevents them from carrying on a business under that name.
7. The issue under s 41(3) is the extent to which the trade marks HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS are inherently adapted to distinguish the services of Accor from those of others. In *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417, Gibbs J said at 424:

Inherent adaptability is something which depends on the nature of the trade mark itself…and therefore is not something that can be acquired; the inherent nature of the trade mark cannot be changed by use or otherwise.

1. In *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494, Lindgren said at [84]:

While inherent adaptation to distinguish requires attention to be focused on the mark itself, and is intended to stand in sharp contrast to a mark's capacity to distinguish arising from use, the notion of “the mark itself” does not exclude from consideration the nature of the range of goods within the class or classes in respect of which registration is sought, or the various ways in which the mark might, within the terms of the registration, be used in relation to those goods. Indeed, those matters must be taken into account.

1. It is necessary to commence by considering the ordinary signification of the trade marks to persons who will trade in or use the service to which the trade mark is applied, namely lot owners, travel agents and potential guests.
2. I will start with HARBOUR LIGHTS. The cross-claimants point out that these are not invented words. HARBOUR LIGHTS is a well-known combination of ordinary English words. That combination is used in ordinary language to refer to the collection of lights around a harbour and the lights on boats or structures in a harbour.
3. When used in relation to services involving some form of accommodation, HARBOUR LIGHTS suggests that the accommodation has views of a harbour and is close to a harbour. However, to an ordinary person looking at the words for the first time, they do not directly describe a characteristic of the accommodation, in the way that something like “Harbour View” or “Harbour Side” might. The words HARBOUR LIGHTS allude to certain characteristics, but do not directly describe those characteristics. I consider that the words are in the nature of a “covert and skilful allusion” to the services, which make them prima facie registrable. In my opinion, the words HARBOUR LIGHTS are not descriptive of a characteristic of the services provided by Liv and Accor.
4. Liv and Ms Bradnam submit that HARBOUR LIGHTS is a geographical name, being the name of the community titles schemes and the building. In *Mantra IP v Spagnuolo*, Reeves J rejected such an argument, saying at [59]:

Thus, it is apparent from what the Full Court said (above) in *MID Sydney* that a sign concurrently applied as the name of a privately owned building and to distinguish certain services to be provided from, or in relation to, that building, does not lose its inherent adaptability to distinguish the services concerned. The Full Court appears to have reached that conclusion because the name of a privately owned building cannot be regarded as being the equivalent of a geographical place name such that it is to be considered as part of the “common heritage” over which the public, including a competitor trading in, or near, the building can claim to have a public right to make honest use of that sign in relation to its goods or services. In other words, its use as a trade mark will not, in any way, infringe upon the “common heritage” because its concurrent use as a building name does not bring it within that domain. This does not, of course, prevent a trader operating within the building concerned from using the name of the building to indicate the location of its place of business.

1. Nor does the name HARBOUR LIGHTS otherwise indicate a geographical origin. In the context of s 122(1)(b) of the TMA, Reeves J in *Mantra Group v Tailly* held at [87]-[88]:

[T]he word “geographical” in s 122(1)(b) was intended to protect the common right of the public to use words forming part of the common heritage, specifically, the name of a country, region, city or town. On the other hand, they suggest that word was not intended to extend to a large privately owned residential apartment building like the Circle on Cavill complex that could not be said to be a part of the common heritage, any more than it did to the large privately owned city office building in the *MID Sydney* case.

…

Taking into account all these matters, I consider the words “*geographical origin … of … service*” in s 122(1)(b) are to be construed to refer to the name of a country, region, city, town or similar geographical area from which a trader’s goods or services have been derived, but not to refer to a privately owned building situated within such a city or town, such as the Circle on Cavill complex in this case.

1. I respectfully agree with the views of Reeves J. I do not accept that HARBOUR LIGHTS is descriptive of a geographical location connected with the services, even though they reflect the name of the building connected with the services. The fact that the services are connected with real property and that the services comprise of provision of an entitlement to occupy that real property does not affect the inherent adaptability of the relevant words to distinguish.
2. The cross-claimants point out that their argument that lot owners in a community titles scheme have a common heritage and common right to use the name of the scheme to signify the location of their apartments was not made in *Mantra IP v Spanguolo* or in *Mantra Group v Tailly.* That argument stems from the *“*common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess” identified by Kitto J in Clark Equipment Co. In *Mark Foy’s Ltd v Davies Co-op & Company Ltd* (1956) 95 CLR 190 at 199, Williams J quoted from the speech of Lord Herschell in *Eastman Photographic Materials Company Ltd v Comptroller-General of* *Patents, Designs, and Trade-Marks* [1898] AC 571 at 580:

“The vocabulary of the English language is common property: it belongs alike to all; and no-one ought to be permitted to prevent the other members of the community from using for purposes of description a word which has reference to the character or quality of goods”.

1. In *Mantra* IP *v Spagnuolo*, Reeves J at [55] identified the principle as being that a sign is not inherently adapted to distinguish where it includes words or names over which there is a common or public right of use in that they form part of the common heritage.
2. The “words forming part of the common heritage” described by Kitto J are those words available to all members of the community, rather than to a small section of the community. Such words include descriptive words and geographical locations.
3. The cross-claimants’ argument that the words are not inherently adapted to distinguish is based on the words being part of the “common heritage”, but that expression refers to the “common right of the public” to use particular words. The cross-claimants rely upon the personal interests of lot owners to establish that they have a specific entitlement to use HARBOUR LIGHTS in connection with the provision of accommodation letting services in respect of the property. The entitlement they seek to establish is peculiar to the lot owners, but does not extend to members of the public. That entitlement is not comparable to a right to use the name of the town to signify the location of services provided from within the town.
4. The registration of HARBOUR LIGHTS does not prevent the lot owners from using those words to describe the location of the apartments they wish to let or allowing their agents to do so. The lot owners are, however, prevented from using HARBOUR LIGHTS as a trade mark while the trade mark is registered. In particular, they cannot operate a business involving accommodation leasing, rental or letting under the name HARBOUR LIGHTS. None of that is inconsistent with the policy of the BCCM Act which gives lot owners the freedom to choose an agent.
5. At times, Liv and Ms Bradnam seemed to suggest that the use of HARBOUR LIGHTS had acquired a meaning that related to accommodation letting services by the time of the application for registration. The submission, if that is what it was, seemed to be that “Harbour Lights” had become so well known as the name of the building that the words could not be regarded as inherently adapted to distinguish Accor’s and CHL’s services. However, the question of inherent adaptability depends on the words themselves, and is not affected by use. The mark HARBOUR LIGHTS was first devised in relation to the proposed building by CHL in 2003. The inherent adaptability of those words to distinguish CHL’s and Accor’s services is not affected by events since then.
6. In my opinion, the words “Harbour Lights” are inherently adapted to distinguish the services of Accor and CHL. Those words are prima facie registrable as a trade mark.
7. The words CAIRNS HARBOUR LIGHTS are in a different category. In *Clark Equipment Co*, Kitto J referred to the difficulty in reaching a conclusion that the name of a place or area being adapted to distinguish one person’s goods from the goods of another. In *Kenman Kandy v Registrar of Trade Marks*, Stone J said at [145]:

Signs that are descriptive of the character or quality of the relevant goods or which use a geographical name in connection with them cannot be inherently distinctive because the words have significations or associations that invite confusion and because registration of a trade mark using such words would preclude the use by others whose goods have similar qualities or which have a connection with the relevant areas.

1. In the present case, a person looking at the words CAIRNS HARBOUR LIGHTS for the first time in relation to accommodation leasing, rental or letting services would understand them to refer to a place – either the city of Cairns, or Cairns Harbour. Such a person would understand that the accommodation being offered is in Cairns, or, more specifically, in the area of Cairns Harbour. There is a direct and not merely allusive reference to a characteristic of the services, namely the location of the accommodation offered.
2. In this situation, it is necessary to consider whether other traders are likely, in the ordinary course of their business and without any improper motive, to use a mark resembling CAIRNS HARBOUR LIGHTS in connection with their own services. In my opinion, the answer is that they may well wish to do so. It is not hard to imagine that an accommodation provider may wish to describe their services by incorporating the words “Cairns Harbour”.
3. The inclusion of the word “Lights” does mean that CAIRNS HARBOUR LIGHTS is to some extent inherently adapted to distinguish. However, I am unable to decide, on that basis alone, that the trade mark is capable of distinguishing the services.

### Section 41(5) – Inherent adaptation, use and other circumstances

1. In finding that CAIRNS HARBOUR LIGHTS is to some extent inherently adapted to distinguish the Class 36 and Class 43 services from those of other persons, I reject the cross-claimants’ submission that s 41(6) of the TMA applies. The note to s 41(6) stated that trade marks that are not inherently adapted to distinguish goods and services are mostly trade marks that consist *wholly* of a sign that is ordinarily used to indicate, relevantly, geographical origin, or some other characteristic of goods or services. Although “Cairns” and “Cairns Harbour” indicate the geographical location at which the services are provided, the word “Lights” does not. In addition, if the words “Harbour Lights” are read together (rather than reading “Cairns Harbour” together), those words are, as I have said, inherently adapted to distinguish to some extent. Therefore, I accept that CAIRNS HARBOUR LIGHTS is to some extent inherently adapted to distinguish the services of the cross-respondents. It follows that s 41(5) applies.
2. Section 41(5) of the TMA requires the Court to consider whether the trade mark does or will distinguish the relevant services as being those of the cross-respondents because of the combined effect of the extent to which the trade mark is inherently adapted to distinguish the services, the use, or intended use, of the trade mark by the cross-respondents and any other circumstances.
3. In *Austereo Pty Ltd v DMG Radio (Aust) Pty Ltd* (2004) 209 ALR 93, Finn J held at [32] that use of a trade mark both before and after registration may be considered in determining whether the mark does distinguish the services. Finn J emphasised at [33] that evidence of subsequent use is relevant only to the question of whether the mark possessed the relevant capability at the priority date. His Honour cited *Re Pound Puppies Trade Mark* [1988] RPC 530 at 533 where it was said:

…it is permissible when deciding whether the mark was capable of distinguishing to take into account use after the date of application. If a mark has in fact become distinctive, then it is at least likely to have had a capacity to distinguish.

1. The cross-respondents’ submissions concerning s 41(5) deal with HARBOUR LIGHTS, but not specifically with CAIRNS HARBOUR LIGHTS. However, by reference to those submissions, the cross-respondents may be taken to rely on the extent of the inherent adaptation to distinguish and the extent of use of their use of CAIRNS HARBOUR LIGHTS. They may also be taken to submit that if another trader in the accommodation industry used CAIRNS HARBOUR LIGHTS for an accommodation letting business, it would be with improper motive because Accor has developed the only reputation in that trade mark.
2. I have found that Accor did not use CAIRNS HARBOUR LIGHTS as a trade mark in relation to hotel or accommodation letting services until early 2009 (see [165]). It was then that Accor (Mirvac) commenced using “Cairns Harbour Lights”, instead of “The Sebel Harbour Lights”. The evidence is not clear as to precisely when such use commenced, but I infer from the description “early 2009” that it was probably in January or February 2009. That use has continued to the present.
3. Concurrent use by a competitor comes within the description “other circumstances” in s 41(5): *Colorado Group* at [30] per Kenny J, [41] per Gyles J. I have found that Ms Bradnam used the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au and harbourlightscairns.com to resolve to her website and that each of those domain names was used as a trade mark and is substantially identical to CAIRNS HARBOUR LIGHTS (see [187]-[191]). The use of those domain names continues to the present day.
4. In view of the concurrent use of “Cairns Harbour Lights”, I do not accept that the cross-respondents have developed the only reputation in the words. In fact, much of the case was concerned with the applicants’ (cross-respondents’) allegations that the respondents (cross-claimants) have used their trade marks since registration.
5. Taking into account the extent to which CAIRNS HARBOUR LIGHTS is inherently adapted to distinguish and the extent of the cross-respondents’ use, I do not accept that the trade mark now distinguishes the relevant services as being those of the cross-respondents, nor that they did so at the date of registration.
6. For these reasons, I find that CAIRNS HARBOUR LIGHTS is not capable of distinguishing the services of CHL and Accor from the services of others.

## Section 42(b) TMA – Whether use of trade marks would be contrary to law

1. Section 42(b) of the TMA provides that an application for registration of a trade mark must be rejected if “its use would be contrary to law”.
2. The cross-claimants submit that the use of the registered trade marks by the cross-respondents would contravene s 52 of the *Trade Practices Act 1974* (Cth) (“the TPA”), which prohibited misleading or deceptive conduct or conduct that is likely to mislead or deceive, or s 18 of the Australian Consumer Law (“ACL”) which currently provides that prohibition.
3. Section 88(2)(a) allows an application for cancellation or removal of a trade mark to be made on any ground on which the registration of the trade mark *could have been* opposed. It is necessary to consider the grounds on which registration of the trade marks could have been opposed at the time of registration in 2009. At that time, the TPA was in force. Therefore, the cross-claimants’ argument based on s 42(b) of the TMA should be considered by reference to s 52 of the TPA, rather than s 18 of the ACL.
4. The cross-claimants’ argument is that “the potential exists for the public to be misled or deceived into believing that Accor and CHL are the only provider of accommodation services for the Harbour Lights Schemes”.
5. Section 42(b) requires the cross-claimants to establish that the uses of the trade marks “would be” contrary to s 52 of the TPA. It is not enough to show that s 52 might be breached.
6. In a proceeding for breach of s 52 of the TPA, the question of whether conduct is misleading or deceptive or likely to mislead or deceive must be considered by reference to the class of consumers likely to be affected by the conduct: *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 199 per Gibbs CJ, at 209 per Mason J. No conduct can mislead or deceive unless the person to whom the representation is made labours under some erroneous assumption: *Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 at 200. It must be determined what misconceptions or deceptions alleged to arise or to be likely to arise are properly to be attributed to the ordinary and reasonable members of the classes of prospective consumers: *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 at [105]. The question is whether a not insignificant number of reasonable persons within the class are likely to be misled or deceived by the conduct, whether in fact or by inference: *Hansen Beverage Co v Bickfords (Aust) Pty Ltd* (2008) 171 FCR 579 at [46] per Tamberlin J, at [66] per Siopis J; *ConAgra Inc v McCain Foods (Aust)* *Pty Ltd* (1992) 33 FCR 302 at 380-381; *Bodum v DKSH Australia Pty Ltd* (2011) 280 ALR 639 at [205].
7. The question of what is the natural and ordinary meaning conveyed by a publication or conduct is to be ascertained by the Court applying an objective test of what ordinary or reasonable consumers in the class would have understood as the meaning: *Bodum* at [203].
8. The cross-respondents submit that “all of the evidence is consistent only with there being confusion.” That is not enough to establish contravention of s 52 of the TPA. In *REA Group Ltd v Real Estate 1 Ltd* (2013) 217 FCR 327, Bromberg J succinctly summarised the authorities dealing with this issue at [79]:

Conduct which causes confusion or wonderment will not necessarily be misleading or deceptive: *Google Inc v Australian Competition and Consumer Commission* (2013) 87 ALJR 235; 294 ALR 404 at [8] (French CJ, Crennan and Kiefel JJ). If the conduct of a corporation gives rise to confusion and uncertainty in the minds of the public about whether two products or services might have come from the same source, the corporation does not necessarily contravene s 52: *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 200 (Gibbs CJ); *Taco Company of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177 at 201 (Deane and Fitzgerald JJ); *Bridge Stockbrokers Ltd v Bridges* (1984) 4 FCR 460 at 472-473 (Lockhart J). However, if the conduct of a corporation causes more than mere confusion and causes consumers to actually conclude that two products do come from the same source, such conduct is likely to be misleading and deceptive: *Bridge Stockbrokers* at 473 (Lockhart J). The representee must be led into error and labour under an erroneous assumption: *Campomar Sociedad Limitada v Nike International Ltd* (2000) 202 CLR 45 at [104] (the Court).

1. The representations relied on by the cross-claimants must be representations made by the cross-respondents using the registered trade marks as trade marks. The cross-claimants’ argument must be that by using registered trade marks to distinguish their accommodation letting services from those of others, the cross-respondents represent that they are the only provider of accommodation services for the Harbour Lights schemes.
2. It is necessary to identify the class of persons to whom the representations are made. That class must consist principally of travel agents and members of the public interested in booking accommodation in the Harbour Lights complex or, more generally, in Cairns. Such persons would observe the use of the trade marks as trade marks on Accor’s website or other advertising material. Such people, apart from some travel agents and repeat guests, are likely to have little or no knowledge of letting arrangements in relation to the Harbour Lights complex other than information appearing on Accor’s website or other advertising material. The class would also include owners of apartments considering engaging a letting agent, but members of that class are likely to know that there is not only one letting agent.
3. It is necessary to consider what use of the trade marks as trade marks entails in the context. An example of such use might be Accor’s website advertising that “Cairns Harbour Lights” has apartments available in the Harbour Lights complex for letting. In that example, the trademark CAIRNS HARBOUR LIGHTS is used to identify the business that provides the letting service.
4. The question is then whether, by the use of the trade marks as trade marks, a not insignificant number of ordinary persons in the class are likely to be misled or deceived into thinking that user of the trade marks is the only provider of accommodation services for the Harbour Lights complex. I consider that many ordinary members of the public might consider that the user of the trade marks has an affiliation with the owners of the Harbour Lights complex and is an official provider of such services. However, the use of HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS as trade marks would not, by itself, represent that the user is the *only* provider of accommodation services. More would be needed to convey such representation. Such use, of itself, does not represent anything about the exclusivity or otherwise of the provision of accommodation services in the Harbour Lights complex. The representation alleged by the cross-claimants to be made is not made.
5. I therefore reject the cross-claimants’ argument that s 42(b) of the TMA provides a basis for the cancellation or removal of the trade marks from the Register.

## Section 43 TMA – Whether trade marks have connotations likely to deceive or cause confusion

1. Section 43 of the TMA provides:

An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

1. In *Pfizer Products v Karam* (2006) 219 FCR 585, it was held by Gyles J at [53]:

“Connotation” is a secondary meaning implied by the mark. The likelihood of deception or confusion must flow from the secondary meaning inherent in the mark itself. It is apparent that the underlying purpose of s 43 is a similar purpose to that lying behind ss 52, 53 and 55 of the *Trade Practices Act* 1974 (Cth). It is to prevent the public being deceived or confused as to the nature of the goods offered by reason of a secondary meaning connoted by the mark in question, rather than, for example, deception by reason of similarity with other marks: *TGI Friday’s Australia Pty Ltd v TGI Friday’s Inc* (2000) 100 FCR 358 at [43]; *McCorquodale v Masterson* at [25]-[26]. Section 43 might well prevent the registration of HERBAGRA for classes of goods with no connection with herbal ingredients.

1. The connotation must be a secondary meaning that emanates from the mark itself, something inherent in the mark, such that its use would be likely to deceive.
2. In order for s 43 to apply, the connotation must be clear and there must be a real and tangible danger that the trade mark, in the context of the relevant services, would be likely to deceive or cause confusion. It would be sufficient if there is “real and tangible danger” of consumers having “reasonable doubt” or being “caused to wonder” about this issue: cf *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 595, per Kitto J.
3. It is the effect of the trade mark on ordinary members of the public which must be considered: *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at [49] per French J.
4. The cross-claimants submit that HARBOUR LIGHTS has a “geographic connotation”. They argue that it is suggestive of a geographic location, namely the Harbour Lights scheme. They argue that even if the Harbour Lights scheme is not a geographical location, it has a geographical connotation as the name of the community titles schemes.
5. The cross-claimants submit that ordinary members of the public are likely to be confused into thinking that only the user of the registered trade mark is entitled to let lots in the Harbour Lights community titles schemes.
6. I accept that HARBOUR LIGHTS has a relevant connotation. The connotation, whether or not it is described as “geographical”, is that it refers to the Harbour Lights schemes.
7. The question is then whether the use of the trade mark as a trade mark would be likely to cause confusion to a not insignificant number of ordinary persons in the class as to whether the user of the trade mark is exclusively entitled to provide letting services in the Harbour Lights schemes.
8. Again, the use of the trade marks as trade marks does not, in my opinion, say anything about the exclusivity or otherwise of the user’s letting services. In my opinion, such use would not cause the required deception or confusion.
9. I therefore reject the cross-claimants’ argument that s 43 of the TMA provides a basis for cancellation or removal of the trade marks from the Register.

## Section 88(2)(c) TMA – Whether trade marks likely to deceive or cause confusion at present time

1. Section 88(2)(c) allows an application under s 88(1) to be made on the ground that, “because of the circumstances applying at the time when the application for rectification is filed, the use of the trade mark is likely to deceive or cause confusion”.
2. Where a trade mark has suffered a loss of distinctiveness such that it no longer provides a means for distinguishing registered owner’s services from others, then it is likely that its continued registration will be likely to deceive or cause confusion: *New South Wales Dairy Corp v Murray-Gouldburn Co-operative Co Ltd* (1990) 171 CLR 363 at 385 per Mason CJ.
3. The cross-claimants argue that they are entitled to use the name “Harbour Lights” when describing the location of the services which they intend to provide. They argue that both the services and the location at which the services are provided are indistinguishable from those of the cross-respondents. They submit that by reason of those matters the trade marks have lost their ability to distinguish.
4. The cross-claimants’ argument proceeds on the assumption that the HARBOUR LIGHTS trade mark had the capacity to distinguish when it was registered. The cross-claimants’ argument is that their non-infringing use of “Harbour Lights” has resulted in the trade mark losing its capacity to distinguish.
5. I do not accept this argument. It is necessary to examine the non-infringing use of HARBOUR LIGHTS by the cross-claimants and compare that to the cross-respondents’ use of the trade marks. Such non-infringing use is likely to involve reference to the name of the apartment complex. For example, Liv is entitled to state that it has apartments available for letting in the Harbour Lights complex. I accept the cross-respondents’ submission that by use of the trade mark as a trade mark they, in effect, “trade as” Harbour Lights. The use of the trade marks as trade marks by the cross-respondents will involve, or usually involve, the use of the trade mark as a description of their business. For example, Accor is entitled to say that Harbour Lights has apartments available for letting in the Harbour Lights complex. The trade mark distinguishes the services provided by the business, even if another, differently named business provides the same type of services in the same location. In my opinion, the trade mark has not lost its capacity to distinguish the cross-respondents’ services, despite the non-infringing use by the cross-claimants.
6. I therefore reject the cross-claimants’ argument that the HARBOUR LIGHTS trade mark should be cancelled or removed from the Registerby reason of s 88(2)(c) of the TMA.

# THE APPLICANTS’ CLAIM: TRADE MARK INFRINGEMENTS

1. I have found that the cross-claimants have established grounds for relief under s 88(1) of the TMA. There are two reasons why it remains necessary to consider the applicants’ claims that their trade marks have been infringed. The first is in case I am wrong in my findings concerning s 88(1). The second is that I have concluded that CHL is the owner of HARBOUR LIGHTS in relation to “commercial real estate agency services” and the hotel services (see [60] and [205]), so it is possible that the trade mark has been infringed in relation to those services. I will proceed to consider the question of infringement on the assumption (contrary to my findings) that each of the trade marks should remain on the Registerin its current form.
2. Section 20(1) of the TMA provides that the registered owner of the trade mark has the exclusive right to use the trade mark and to authorise other persons to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. The registered owner of a trade mark has the right to obtain relief under the TMA if the trade mark has been infringed: s 20(2). The rights are taken to have accrued to the registered owner as from the date of registration of the trade mark: s 20(3). An authorised user of the trade mark may also bring a proceeding for infringement of the trade mark: s 26(1)(b).
3. Section 120 of the TMA describes when a trade mark is infringed:

**120 When is a registered trade mark infringed?**

(1) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

…

(2) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:

…

(c) services of the same description as that of services (***registered services***) in respect of which the trade mark is registered; or

…

However, the person is not taken to have infringed the trade mark if the person establishes that using the sign as the person did is not likely to deceive or cause confusion.

...

1. The applicants rely on ss 120(1) and (2) for their allegations that the respondents have infringed and continue to infringe the trade marks. The respondents deny any infringement on the following grounds:

(a) the applicants have not established one or more of the elements of ss 120(1) and (2) TMA; in particular, the respondents have not used the trade marks *as* trade marks;

(b) the respondents have established that their use of the trade marks was not likely to deceive or cause confusion: s 120(2) TMA;

(c) Ms Bradnam continuously used the words in relation to residential apartment letting services before the date of registration of the trade marks and before the applicants used the trade marks for residential apartment letting services: s 124(1) TMA;

(d) the respondents used the words in good faith to indicate the geographical origin or some other characteristic of their services: s 122(1)(b) TMA;

(e) the trade marks are not capable of distinguishing the applicants’ services from the apartment letting services provided by the respondents or any other business providing apartment letting services in the Cairns Harbour Lights complex: s 41 TMA;

(f) the use of the trade marks would be contrary to law as they would be likely to mislead or deceive persons into believing that the applicants have the exclusive right to provide apartment letting services in the Cairns Harbour Light complex: s 42 TMA;

(g) by using as trade marks the name of the geographical location of the apartments the applicants are likely to deceive or confuse consumers into believing that the applicants are the sole owner of apartments and/or the sole provider of apartment letting services in the Cairns Harbour Lights hotel: s 43 TMA;

(h) neither of the applicants owns the trade marks: s 58 TMA.

1. I have already considered the respondents’ arguments concerning ss 41, 42, 43 and 58 of the TMA. That leaves the allegations concerning contravention of s 120(1) and the defence under s 120(2) to consider. I will also give some brief attention to the issues that remain under s 122(1)(b) and s 124(1) in light of my earlier findings.
2. The applicants allege that the respondents infringed their trade marks by using the words “Harbour Lights” or “Cairns Harbour Lights” or variations of those words in their registered domain names, on their websites and other advertising, in business names and on letterhead and other documents.
3. It is not disputed by the respondents that the words used were signs and that such signs were used in relation to services.
4. The issues in dispute concerning s 120 are:

(a) whether the respondents used the words “Harbour Lights” and “Cairns Harbour Lights” or variations of those words “as a trade mark”;

(b) whether the words used were substantially identical or deceptively similar to the trade marks;

(c) for s 120(2), whether the respondents have established that using the signs as they did is not likely to deceive or cause confusion; and

(d) whether the use was in relation to services in respect of which the trade marks are registered, or in respect of services of the same description as, or closely related to, the services in respect of which the trade marks are registered.

1. Ms Bradnam obtained registration of two of the domain names on 12 October 2006 and commenced her business from about July 2007. However, the applicants can only complain of any infringement of their trade marks from 21 January 2009, when the first of the trade marks was registered: see s 20(3) of the TMA.
2. The applicants make numerous separate allegations of infringement. The respondents dispute that the signs were used “as a trade mark” in relation to each of the allegations. The remaining issues are disputed in the parties’ submissions only in relation to some of the allegations. I will first consider the legal principles relevant to the disputed issues and then consider each of the allegations of infringement in turn. I will only discuss and specifically rule upon the particular issues in dispute in relation to each allegation. In other words, where an issue is not in dispute in relation to a particular allegation, I will make no specific reference to it.

## Use as a trade mark

1. The most heavily disputed issue was whether the words were used by a respondent as a trade mark.
2. Section 17 of the TMA defines a trade mark as follows:

A ***trade mark*** is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

1. I have already set out the principles concerning when a trade mark is used as a trade mark (see [48]).
2. The respondents submit that their uses of the words “Harbour Lights”, “Cairns Harbour Lights” and phrases incorporating those words, do not operate to distinguish their services from those of any other business, but describe a characteristic of their services. That characteristic is the location in respect of which the services are provided.
3. It is not uncommon for a building to be given a name and for businesses or apartments in such a building to be described by reference to the name of the building: examples found in trade mark cases include “Circle on Cavill” and “The Chifley Building”.I accept that “Harbour Lights” and “Cairns Harbour Lights” may be used in a way that is entirely descriptive. For example, those words may be used to indicate that the apartments the respondents have available for letting are located in the complex called “Harbour Lights” or “Cairns Harbour Lights”. However, it is necessary to examine each use of the words complained of by the applicants in order to determine whether that use is only descriptive, or whether the use is only trade mark use, or whether it is both. If it is both, then the use will be use as a trade mark for the purposes of ss 120(1) and (2).

## Substantially identical with or deceptively similar to

1. The TMA does not define the words “substantially identical”. I have already referred to *Shell Company* (see [110]), where Windeyer J discussed how it is to be judged whether one mark is substantially identical to another.
2. The expression “deceptively similar” is defined in s 10 of the TMA as follows:

For the purposes of this Act, a trade mark is taken to be ***deceptively similar*** to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.

1. As to deceptive similarity, in *Shell Company*, Windeyer J said at 415:

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff’s mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant’s [mark].

1. A number of the applicants’ allegations concern the respondents’ use of the words “Harbour Lights” or “Cairns Harbour Lights”. In those instances there is no dispute that the words used are identical to the registered trade marks. In other cases, the words used are variations upon the trade marks, such as “Harbour Lights Cairns”. In those cases, it may be necessary to consider whether such variations are substantially identical with or deceptively similar to the trade marks.
2. I consider that “Cairns Harbour Lights” is both substantially identical and deceptively similar to “Harbour Lights”. They are substantially identical because “Cairns” is not distinctive, merely being the name of a geographical location. They are deceptively similar because, from the perspective of persons of ordinary intelligence and memory, they so nearly resemble each other that they are likely to deceive or cause confusion. Therefore, where I conclude that the elements of s 120(1) are satisfied by the use of either “Harbour Lights” or “Cairns Harbour Lights”, those elements are satisfied in relation to both trade marks.

## Approach to determination of infringement allegations

1. On 31 August 2009, Ms Bradnam entered into a contract for the sale of her business to Liv, and settlement of the contract occurred on 17 May 2010. Precisely who conducted the business leading up to settlement is a little unclear. It appears that Ms Patalano acted as manager of the business for Ms Bradnam between those dates because Liv or Ms Patalano were required to obtain a real estate agent’s licence. I accept that Ms Bradnam continued to conduct her business until 17 May 2010. The business has been conducted by Liv since 17 May 2010. However, Ms Bradnam remains registered as the owner of two of the domain names that resolve to Liv’s website, and the applicants allege that she continues to use those domain names.
2. In view of these matters, I will deal with the applicants’ allegations of trade mark infringements in the following order:

(a) allegations against Ms Bradnam for the period from 21 January 2009 to 17 May 2010;

(b) allegations against Liv for the period from 17 May 2010 to the present time;

(c) allegations against Ms Bradnam for the period from 17 May 2010 to the present time.

1. The proceedings were commenced and continued for some time as a fast track application, to which Practice Note CM8 applied. There were no pleadings exchanged and instead fast track statements, responses and cross-claims were exchanged. Because there was no exchange of pleadings in the ordinary form, the applicants did not specify the allegedly infringing uses of their trade marks prior to trial. The applicants attached to their written outline of closing submissions a document which is headed “Examples of use of the Trade Marks by the Respondents.” Some 51 such examples are then set out (although the applicants disclaim reliance on the last two).
2. The use of the word “Examples” may suggest that the applicants also rely on some other infringements that are to be found in the evidence but which are not specified by them. It is the function of the parties to define the issues that are before the Court and the task of the Court to decide those issues. It is not for the Court to trawl through the evidence in search of some unspecified other infringements. I have therefore confined my consideration of the applicants’ allegations of infringements to those set out in the attachment.

## Allegations against Ms Bradnam for the period from 21 January 2009 to 17 May 2010

### Registration and general use of business names

1. The applicants allege that Ms Bradnam infringed their trade marks between 21 January 2009 and 16 May 2010 by her use of three registered business names, namely:

(a) Harbour Lights Cairns – The Luxury Collection;

(b) Harbour Lights Prestige Apartments; and

(c) Harbour Lights Property Management & Sales.

1. The applicants allege that mere registration of the business names amounts to infringement of their trade marks. I do not accept that submission. Section 120 of the TMA requires *use* of a sign as a trade mark. Registration is not use. The mere registration of a business name is analogous to the mere registration of a domain name. The mere registration of a domain name which contains the words of a registered trade mark does not amount to trade mark infringement: *Sports Warehouse Inc v Fry Consulting Pty Ltd* at [153]; *Solarhart Industries Pty Ltd v Solar Shop Pty Ltd* (2011) 281 ALR 544 at [50]; *CSR Ltd v Resource Capital Australia Pty Ltd* (2003) 128 FCR 408 at [42].
2. Ms Bradnam registered the business name “Harbour Lights Prestige Apartments” on 21 April 2009. The business name “Harbour Lights Cairns – The Luxury Collection” was registered on 24 April 2009. The business name “Harbour Lights Property Management & Sales” was registered on 7 March 2007. Liv became the owner of each of those business names from 17 May 2010 until they deregistered on 31 December 2010.
3. The applicants’ complaints against Ms Bradnam seem to be both of general use of the three business names in unspecified ways and specific use of one of the business names on her website, on letterhead and on a park bench.
4. Each of the business names includes the words “Harbour Lights” and one uses “Harbour Lights Cairns”. Those words are the first to appear in each of the business names and leave the dominant impression. An ordinary person would be confused to such an extent between the business names and the trade marks as to make the business names deceptively similar.
5. Ms Bradnam deposed that on about 21 April 2009 she received a letter from CHL’s solicitors which complained about her use of the domain names and business names. She said she was entitled to use them. I infer that Ms Bradnam was there acknowledging that before and after April 2009 she used each of the registered business names. I conclude that she did use the three business names that she owned within the period from 21 January 2009 to 17 May 2010 in ways that are unspecified.
6. However, for the reasons I have given earlier (see [197]), Ms Bradnam’s admission that she used the registered business names in general but unspecified ways does not prove she used the business names as a badge of origin, to indicate a connection between her business and the services it supplied. She may have merely used the business names to identify her business. I find that the applicants have not proved that such general use was trade mark use.
7. It will be necessary in the course of these reasons to consider the more specific uses of the business names which are alleged by the applicants to constitute trade mark infringements.

### Registration and use of domain names and website

1. The applicants allege that both the registration and use of the respondents’ domain names infringed their trade marks. It will be recalled that the domain names are:

(a) cairnsharbourlights.com.au;

(b) harbourlightscairns.com.au; and

(c) harbourlightscairns.com.

1. As I have said, the mere registration of a domain name does not amount to infringement of a trade mark. However, if the registered domain name is linked to a website that contains advertising material that promotes services in relation to which the trade mark is registered, this combination could constitute use as a trade mark. The use of a domain name, to direct potential customers to a website advertising the user’s services can be use of the domain name as a trade mark (see [82], [83] and [187]).
2. The domain names resolved to Ms Bradnam’s website. It is necessary to examine the content of Ms Bradnam’s website in the various forms it took between 21 January 2009 and 17 May 2010 for the purpose of determining whether the use of the domain name in conjunction with the website, or the website itself, amounted to use of HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS as trade marks. I have described the contents of the home page of that website as it was prior to 21 April 2009 earlier. The other pages of the website are not in evidence.
3. Ms Bradnam’s website for the period from 21 January 2009 to 17 May 2010 is presently relevant. There are screen shots of the home page on the following dates:

(a) 20 February 2009;

(b) 21 February 2009;

(c) 6 March 2009;

(d) 13 April 2009;

(e) 16 April 2009;

(f) 13 July 2009;

(g) 15 August 2009; and

(h) 17 September 2009.

1. I will deal first with the home page as it was on 20 and 21 February 2009. The words “Harbour Lights” were used twice on the home page. The first was in the heading “hlp Harbour Lights Luxury Apartments”. The second was in the sentence “Cairns most luxurious and absolute waterfront 5 star holiday apartments, Harbour Lights Private, have recently been released.”
2. As to the second use on the home page, I consider that an ordinary person viewing the home page would understand “Harbour Lights Private” to be the name by which the apartments are known. That is so as a matter of ordinary grammar and punctuation. It did not distinguish Ms Bradnam’s services from those offered by others. It was not used as a badge of origin.
3. The next question is whether the words “hlp Harbour Lights Luxury Apartments” in the heading were used as a badge of origin or were merely descriptive of the name of the apartments. In my opinion, a viewer would think that the words “hlp Harbour Lights Luxury Apartments” referred to a business called “hlp Harbour Lights Luxury Apartments” that arranged the letting of the apartments. The block of text that appeared later described the qualities or features of the apartments. That text gave the name of the apartments as “Harbour Lights Private”. That suggests that the words “hlp Harbour Lights Luxury Apartments” referred to something else, namely the business that arranges the letting of the apartments. Those words indicated a connection between the person using the mark and the services provided. The words were used as a trade mark.
4. In my opinion, each of the uses of “hlp Harbour Lights Luxury Apartments” were deceptively similar to HARBOUR LIGHTS. The words “Luxury Apartments” were descriptive only. The acronym “hlp” was allusive rather than descriptive but the impression that would be left in the mind of the ordinary viewer is one of overall similarity.
5. The first use of “hlp Harbour Lights” on the home page meets the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.
6. The versions of the home page from 6 March 2009 onwards of Ms Bradnam’s website each had the heading “harbour lights cairns – the luxury collection”. That was one of the business names owned by Ms Bradnam. The use of the business name clearly indicated a connection between Ms Bradnam’s business and the services provided by that business on the website, namely accommodation rental and letting in the building called “Harbour Lights”. The larger text of the heading and its prominent position assists me to conclude that the words were not merely referring to the name of the apartments given in the block of text. It is true that the words could also be seen as describing a collection of apartments in the Harbour Lights building, but they, at least in part, served to distinguish the services provided by Ms Bradnam’s business from the services provided by others. It was use of the words as a trade mark.
7. In my opinion, the use of “harbour lights cairns – the luxury collection” was deceptively similar to HARBOUR LIGHTS and, after 21 April 2009, deceptively similar to HARBOUR LIGHTS CAIRNS.
8. The use of “harbour lights cairns – the luxury collection” on the home page satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services. The use of the trade mark was not in relation to hotel services because the website advertised “apartments” and not hotel rooms.
9. Ms Bradnam used the domain names to direct potential customers to her website, which advertised her accommodation rental and letting services in respect of apartments in the Harbour Lights building. Applying the “shop front” analogy given by Reeves J in *Edgetec International* (see [83]), this amounted to use of the domain names as a trade mark.
10. In my opinion, each of the domain names is substantially identical to the trade marks “Harbour Lights” and “Cairns Harbour Lights”. The fact that word “cairns” appears after “harbour lights” in two of the domain names does not prevent the domain names from being substantially identical with the trade marks. The domain names are also deceptively similar to both trade marks.
11. The use of the domain names to direct potential customers to Ms Bradnam’s website meets the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

### Google advertisements

1. The applicants’ next complaint concerns Ms Bradnam’s use of Google advertisements to promote her apartment letting business that used the term “Harbour Lights”.
2. Mr Chapman deposed that he reviewed the results of Google searches of phrases incorporating the registered trade marks. He deposed that when the terms “Cairns Harbour Lights” and “Sebel Harbour Lights” were entered as search terms, the respondents’ website at the domain name harbourlightscairns.com.au was listed as either the top organic search result or as a sponsored link. As those searches were undertaken in 2009, I infer that Mr Chapman’s intention was to refer to Ms Bradman’s website.
3. The printout of the search results shows as the first result the following sponsored link:

**Cairns Harbour Lights**

www.**HarbourLightsCairns**.com.au Stay at **Harbour**

**Lights** from $99 Water Views, in CBD. Book Now!

1. Later on the page there appears the following organic search result:

The Sebel **Harbour Lights Cairns**

www.**harbourlightscairns**.com.au

1 Spence St

Cairns, QLD 4870

1800 076 703

Get directions

1. As to the use of the sponsored link, an ordinary viewer would understand “Cairns Harbour Lights” to refer to the name of a business, not the name of the apartment complex. “Harbour Lights” was used as the name of the apartment complex. The use of the domain name was use of “harbourlightscairns” as a trade mark. “Harbour Lights Cairns” is substantially identical with and deceptively similar to the registered trade marks. I infer that the link was sponsored by Ms Bradnam. In other words, she paid for it to appear.
2. The sponsored link satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.
3. The organic search result brought up “The Sebel Harbour Lights Cairns”. The website address is one of Ms Bradman’s domain names. The words “The Sebel Harbour Lights Cairns” were used as a trade mark. That trade mark is deceptively similar to each of the registered trade marks.
4. There is evidence that organic search results are generated from words relevant to the search terms that have been included in the source data for a website. I infer that some words must have been included in the source data for Ms Bradnam’s website which generated that search result. However, there is a lack of evidence as to precisely what words were used in the source data. I cannot draw the inference that Ms Bradnam used “The Sebel Harbour Lights Cairns” in the source data, or that she otherwise caused those words to appear in the search result.

### Use of Harbour Lights Cairns as a heading in financial statements to lot owners

1. The applicants rely on a statement of account produced by Ms Bradnam for one of her clients for February 2009. It set out the rental income and expenses for the letting of the client’s apartment in the Harbour Lights building for that month.
2. At the top left corner of the statement of account, the following words appeared:

Harbour Lights Cairns

1 Marlin Parade

CAIRNS QLD 4870

Phone: 07 4041 5637 Fax: 07 4041 5837

Email: info@harbourlightscairns.com.au

Website: www.harbourlightscairns.com.au

1. The statement of account contained the name of the client and the apartment number, but those details have been blocked out in the document put into evidence.
2. A person reading the statement of account without knowing any other information could understand it to be issued by a business called “Harbour Lights Cairns” or could understand it to be a reference to the Harbour Lights building. While the statement of account does give the address of the Harbour Lights building and the unit number of the owner, the words “Harbour Lights Cairns” do not appear to refer only to the name of the building. That is so because of the telephone number, the email address and the website address. They must belong to a business. The impression is given that “Harbour Lights Cairns” refers to the business providing the letting services.
3. However, the statement of account was not published to the public at large, but was sent specifically to one of Ms Bradnam’s clients who owned an apartment in the Harbour Lights building.
4. In *Aldi Stores Ltd Partnership v Frito-lay Trading Co GmbH*, Lindgren J described the objective test to be applied in deciding whether a sign has been used as a trade mark at [76]:

Whether Aldi used the words “Cheezy Twists” as a trade mark, that is to say, by way of distinguishing its goods from the goods of others, raises the objective test whether they would be likely to be understood to do so by relevant readers and hearers in the circumstances in which the words were likely to be read and heard…

1. It is necessary to take into account the circumstances in which the statement of account were likely to be read. The state of knowledge of the reader is one of those circumstances. The apartment owner’s knowledge of the relevant facts was greater than that of a member of the public viewing Ms Bradnam’s website. The apartment owner had engaged the services of Ms Bradnam’s business, which operated under the name “Harbour Lights Property Management and Sales”. The owner must have known of the services of Accor, since there was evidence that potential purchasers were told about such services by CHL, and elected not to engage Accor. The owner obviously knew that the building was known as “Harbour Lights” and “Harbour Lights Cairns”. The owner would take those words “Harbour Lights Cairns” to refer to the building, rather than distinguishing Ms Bradman’s services from those offered by Accor. The use is not use as a trade mark.
2. The applicants also rely on the use of the email address info@harbourlightscairns.com.au in the statement of account. As that statement of account was sent to an owner who may be taken to have knowledge of the fact that Ms Bradnam was operating a business independent of Accor’s business, the email address would be seen as a reference to the business, not the building. The use of the email address is trade mark use. It is used in relation to each of the Class 36 and Class 43 services other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services. The elements of s 120(1) are satisfied by the use of the email address.

### Use of the email address info@harbourlightscairns.com.au

1. The applicants rely upon a booking confirmation from Ms Bradnam’s business to a guest who had booked accommodation dated 28 January 2009. That document was sent from the email address info@harbourlightscairns.com.au. The email confirmed the details of the booking that had been made. It also said:

Please call us on 4041 5637 when you arrive at Cairns airport so we can organise someone to meet you at the front of the Harbour Lights complex.

Please do not hesitate to contact me if you have any further questions. We look forward to welcoming you soon to Harbour Lights Cairns.

1. The email used the names by which the complex is known, that is, “Harbour Lights” and “Harbour Lights Cairns”. However, the fact that it was sent from the email address info@harbourlightscairns.com.au suggested that the email address was that of a business. The references in the email to “us” and “we” reinforced that view. The email address suggested that the business was the origin of the services being provided. In my opinion, the use of the email address info@harbourlightscairns.com.au in the booking confirmation was use of marks substantially identical and deceptively similar to HARBOUR LIGHTS and HARBOUR LIGHTS CAIRNS as trade marks.
2. The use of the email address satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of “Harbour Lights Property Management & Sales” in email booking confirmation

1. Towards the bottom of the booking confirmation dated 28 January 2009 set out above, there was a section headed “Payments”. It read:

To avoid the credit card fees deposits and final payments can be transferred into Harbour Light’s trust account:

Harbour Lights Property Management & Sales

Suncorp

BSB 484 799

Account number 600864609

1. The trust account was described as “Harbour Light’s trust account”. One of the business names registered by Ms Bradnam was “Harbour Lights Property Management & Sales”. It was into the trust account of that business that payments were to be made. The use of the business name indicated that Ms Bradnam’s business was the source of the services provided. It served to distinguish her business from those of other providers of rental and letting services. That business name is substantially identical and deceptively similar to HARBOUR LIGHTS and HARBOUR LIGHTS CAIRNS.
2. These uses satisfy the elements of s 120(1) of the TMA in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency service”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of Harbour Lights Cairns in business correspondence

1. The applicants rely on an undated letter written by Ms Bradnam to “Body Corporate Services”. The contents of the letter suggest that it was sent on or around 16 June 2009. I infer that it was written to a business that provided management services to the body corporate of the Managed Scheme and that of the Residential Scheme. The letter was said to be written by Ms Bradnam as the owner of a lot and on behalf of 35 apartment owners whose lots she was managing. The letter was written on letterhead which read:

Harbour Lights Cairns Licence: 3187070

ABN no: 89201897087

1 Marlin Parade

CAIRNS QLD 4870

Phone: 07 4041 5637

Fax: 07 4041 5837

Email: info@harbourlightscairns.com.au

Website: www.harbourlightscairns.com.au

1. Each of the bodies corporate and their management services provider must have been aware that Ms Bradnam’s business was independent of Accor’s business. If the words “Harbour Lights Cairns” appeared by themselves, the recipient would assume the words were purely descriptive of the building. However, the licence number and ABN apparently referred to a business, and that business is described as “Harbour Lights Cairns”. That was reinforced by the use of the email address and the use of the website address on the letterhead.
2. The management services provider for the bodies corporate would understand the words “Harbour Lights Cairns” to represent that Ms Bradnam’s business was the provider of accommodation letting services in the Harbour Lights building. The letter represented that “Harbour Lights Cairns” is a business that manages 35 lots. The use of the “Harbour Lights Cairns” as a name for Ms Bradnam’s business distinguished her services from those provided by others. I consider that the use of those words was use as a trade mark.
3. The words “Harbour Lights Cairns” are substantially identical and deceptively similar to both trade marks.
4. This use satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency service”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of “Harbour Lights” in an outdoor advertisement

1. Ms Bradnam had a sign installed on a park bench opposite her office. It is not clear exactly when it was installed, but remained in place until at least January 2011. The sign had the words “HARBOUR LIGHTS hlp” at the top in large writing. Underneath that appeared the words “Accommodation & Sales”. That was followed on the next line by the telephone number 40415637.
2. In my opinion, the primary use of the words “HARBOUR LIGHTS hlp” was as the name of the business advertising the accommodation and sales service. That is shown by the use of a telephone number to contact the business. The words HARBOUR LIGHTS did not merely describe the apartment complex. The use of those words was as a trade mark.
3. The words “HARBOUR LIGHTS hlp” are deceptively similar to the registered trade marks.
4. The word “Accommodation” is apt to cover short-term rentals. The use of “HARBOUR LIGHTS” was in relation to each of the Class 36 and Class 43 services, other than the hotel services and “agency services for the leasing of real estate properties”. It was used in relation to “commercial real estate agency services”.
5. This use of “HARBOUR LIGHTS” satisfies the elements of s 120(1) of the TMA.

### Use of “hlc” and “Harbour Lights Cairns” as a heading on an advertising flyer

1. Ms Bradnam had an undatedadvertising flyer published headed “hlc”, followed by the words “Harbour Lights Cairns” immediately underneath. Then appeared the words “Harbour Lights Cairns The Luxury Collection”. There were photographs of the exterior of the Harbour Lights building and photographs of the interiors of apartments. The words “Apartments for sale” appeared and there were prices given for various types of apartments. A mobile telephone number and office telephone number were given.
2. It is apparent that the words “Harbour Lights Cairns” in combination with “hlc” were used as trade marks, and not merely to describe the building. The same applies to the use of “Harbour Lights Cairns The Luxury Collection”. In each of those phrases the words “Harbour Lights” indicated a connection between the business using the mark and the service provided. That is indicated by the use of the words “Harbour Lights Cairns The Luxury Collection” which was (apart from a missing hyphen) a registered business name owned by Ms Bradnam. It is also indicated by the addition of the business name and telephone numbers. The use of the words was as a trade mark. Those words were deceptively similar to the registered trade marks.
3. The brochure obviously advertised sales of apartments, rather than apartment rental and letting. Such sales come within “commercial real estate agency services” in Class 36, but not otherwise.
4. This use of “Harbour Lights” satisfies the elements of s 120(1) of the TMA in relation to “commercial real estate agency services”.

### Use of “Harbour Lights Private Apartments” as letterhead

1. Ms Bradnam wrote a letter to the body corporate of the ManagedScheme. The letter had as its letterhead “hlp Harbour Lights Private Apartments”. The letter was not dated, but was apparently received by the body corporate on 9 July 2008.
2. The letter was evidently written by Ms Bradnam prior to the registration of the trade marks. Therefore the use of the letterhead cannot constitute infringement of the trade marks.

## Allegations against Liv for the period from 17 May 2010 to the present

### Use of registered business names

1. The sale of Ms Bradnam’s business to Liv settled on 17 May 2010. The respondents accept that the following business names were sold to Liv:

(a) Harbour Lights Cairns – The Luxury Collection;

(b) Harbour Lights Prestige Apartments; and

(c) Harbour Lights Property Management & Sales.

1. The respondents also accept that the following domain names were sold to Liv as part of the business:

(a) cairnsharbourlights.com.au;

(b) harbourlightscairns.com.au;

(c) harbourlightscairns.com.

1. Ms Patalano deposed that Liv did not use the business names “Harbour Lights Prestige Apartments” and “Harbour Lights Property Management & Sales” in the conduct of its business and the registration of those names were cancelled in December 2010. I accept this evidence. I therefore reject the applicants’ allegation that Liv used the business names “Harbour Lights Prestige Apartments” and “Harbour Lights Property Management & Sales”.
2. The applicants complain that Liv used the registered business name “Harbour Lights Cairns – The Luxury Collection” as a trade mark.
3. There is evidence of the content of the website formerly operated by Ms Bradnam as at 30 June 2010. By that date Liv was operating the website.
4. The heading on the home page was “harbour lights cairns – the luxury collection”. That heading also appeared on each page that came up when each link on the website was clicked. It was prominent.
5. The use of Liv’s business name indicated a connection between Liv and the services it was promoting on the website. It is true that there were other references to “Harbour Lights” on the website as the name of the complex. For example there were references to a “Harbour Lights Penthouse” and to the “Harbour Lights Gymnasium”. However, the business name was used, at least in part, to indicate that Liv’s business was the origin of the services and to distinguish Liv’s services from those provided by others. The words were used as a trade mark.
6. This use of “Harbour Lights Cairns” satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency service”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of domain names to direct customers to Liv’s website

1. Before taking over the operation of the business, Ms Patalano decided that the business would operate under a new name, “Cairns Luxury Apartments”. She decided that a new website would be created, and Liv engaged an IT consultant for that purpose. She decided the existing domain names acquired from Ms Bradnam would resolve to the new website. Liv obtained registration of the business name “Cairns Luxury Apartments” on 28 January 2010 and of the domain name cairnsluxuryapartments.com.au on 3 December 2009.
2. Liv’s website allows customers to make bookings for accommodation in apartments in the Harbour Lights complex and in other buildings and for tours and activities. The website encourages customers to make bookings for the apartments offered in the Harbour Lights building by promoting the merits of the apartments, including their luxuriousness, their location and price.
3. Liv uses the domain names cairnsharbourlights.com.au and harbourlightscairns.com.au to direct customers to its website. When customers type those domain names into a browser, they are taken to Liv’s website. Again, the shopfront analogyis apposite (see [83]). It is relevant, however, that the services advertised on the website were slightly different at different times.
4. I consider that the use of the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au and harbourlightscairns.com to direct customers to Liv’s website is use of the domain names as trade marks.
5. This use of the domain names satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency service” and “agency services for the leasing of real estate properties”.  In addition, it does not satisfy the requirements of s 120(1) in relation to the “hotel services”, with one exception. That exception is that the website in its form at 30 June 2010 advertised hotel services.

### Use of Google advertisements using “Harbour Lights” to promote Liv’s business

1. The applicants complain about use of Google advertisements which use the term “Harbour Lights” to promote Liv’s apartment letting business.
2. The search result that the applicants appear to rely on in their written submissions is as follows:

**Cairns** Luxury Accommodation – Waterfront Apartments – **Harbour**…

www.cairnsluxuryapartments.com.au/

Harbour Lights Apartments in **Cairns** offer luxury private waterfront apartment accommodation for holiday letting and short term rental.

Apartments – For Sale – Contact - Specials

1. The use of “Harbour Lights Apartments” suggested that a business of that name was offering the accommodation. It was use of those words as a trade mark. The source data for Liv’s website (which will be discussed more fully later in these reasons) contained the words “content: = Harbour Lights apartments in Cairns offer luxury private waterfront apartment accommodation for holiday letting and short-term rental.” I infer that the words “Harbour Lights Apartments” appearing in the search results were generated from the source data.
2. Those words are deceptively similar to the registered trade mark HARBOUR LIGHTS. The use was in relation to each of the Class 36 and Class 43 services other than “agency services for the leasing of real estate properties” and the hotel services. The elements of s 120(1) are satisfied in relation to these such services, including “commercial real estate agency services”.

### Use of words incorporating “Harbour Lights” on Liv’s website as it was at 30 June 2010

1. I have already dealt with the applicants’ complaint about Liv’s use of “harbour lights cairns – the luxury collection” as a heading on the website in the form that website was in at 30 June 2010 (see [372]). The applicants also make other complaints about Liv’s website in its form at that date.
2. There are in evidence five pages printed from the website which carry a heading “hlp” followed on the same line by “Harbour Lights Private Apartments”. That was followed below by seven links, which were apparently able to be clicked to take the viewer to other pages.
3. The five pages each contained the words “Search Tours”. I infer that these pages were reached by clicking the “tour desk” link. Underneath the notation “Search Tours” appeared boxes which were able to be used to conduct a search. The first of the printed pages referred to a Quicksilver Cruises Tours, the second to Sunlover Reef Cruises Tours, the third to ballooning with Hot Air Cairns and Port Douglas Tours, the fourth simply to Tours and the fifth to Big Cat Green Island Reef Cruises Tours.
4. In my opinion, words in the heading “hlp Harbour Lights Private Apartments” were used as a trade mark. The words were used to indicate a connection between a business “hlp Harbour Lights Private Apartments” and the service of arranging tours.
5. However, the words in the heading were not used in relation to services in respect of which the trade marks were registered or of the same description as those services.
6. On the website in its form at 30 June 2010, there was a page headed “Booking Form”. It allowed the start date of the proposed booking and the number of nights to be entered. Then there were descriptions of the type of apartments offered such as “1 Bdrm apartment”, the dates when the apartments were available and the prices. Underneath that information appeared the following text:

Harbour Lights Cairns

Completed in June 2007, the award-winning Cairns Harbour Lights is a truly unique contemporary hotel combining the comfort of serviced hotel accommodation with the freedom of self contained apartments. The hotel is centrally located on the Cairns waterfront next to the Reef Fleet terminal, and offers views unlike anywhere else in Cairns. The hotel is walking distance from the Esplanade, Casino, convention centre and shopping precincts and offers a level of sophistication and comfort that cannot be matched.

Address: 1 Marlin Parade

 CAIRNS

 QLD

 AUSTRALIA

1. The references to “Harbour Lights Cairns” and “Cairns Harbour Lights” on this webpage were references to the name of the complex in which the apartments are located. That is plain from the words “completed in June 2007” and the description of the location of the “hotel”, including its address. The words were not used as a badge of origin. I find that they were not used as a trade mark.
2. The applicants’ next complaint concerns a page that I infer was reached by clicking the “contact” link. That page commenced:

Contact Harbour Lights Cairns

Please contact us for any enquiries or further information about our luxury apartments right on the Cairns waterfront.

**Harbour Lights Cairns – The Luxury Collection**

**AAA rated 5 Stars**

1 Marlin Parade

CAIRNS, QLD, 4870, AUSTRALIA

**Administration Office**

Shop 1, 34 The Esplanade

CAIRNS, QLD, 4870, AUSTRALIA

1. Under that appeared the office/reception hours, the administration hours, a licence number, telephone numbers and the email address info@harbourlightscairns.com.au.
2. In my opinion, the words “Harbour Lights Cairns” in the heading were used as description of the business that was offering the services advertised. The heading invited the viewer to contact “Harbour Lights Cairns”. Then the viewer was invited to contact “us” for further enquiries or further information about “our” luxury apartments. The representation was made that the luxury apartments are those offered by the business known as “Harbour Lights Cairns”. That impression was given more force by the contact details that were given for Liv’s business.
3. The use of the words “Harbour Lights Cairns” in the heading indicated a connection between Liv’s business and the services provided. It distinguished Liv’s services from the services offered by others. It was used as a trade mark.
4. This use of “Harbour Lights Cairns” satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services” and “agency services for the leasing of real estate properties”. It was use in respect of the hotel services because the booking form described it as a “hotel”.

### Use of words incorporating “Harbour Lights” on Liv’s website since October 2010

#### Website in its form at 11 October 2010

1. The applicants complain of the use of the words “Contact Harbour Lights Cairns” as a heading in the form the website took on 11 October 2010. The page on which those words appear is identical to the one which appeared on 30 June 2010 discussed above. For the same reasons, the use of the relevant words was as a trade mark. This use of “Harbour Lights Cairns” satisfies the elements of s 120(1) of the TMA.
2. The applicants’ next complaint is about the use of the words “Harbour Lights Cairns – The Luxury Collection” in a “footer” on a page of the website in its form on 11 October 2010. That page contained the heading “cairns luxury apartments”, and then there was a subheading “Tours, Cruises and Activities”. There were a number of photographs each accompanied with either the name of the tour company or the type of activity provided. At the bottom of the page appeared the words “Harbour Lights Cairns – The Luxury Collection”. That was followed by a telephone number and then an email address which is not fully decipherable.
3. Liv’s business name was used as a trade mark in the “footer” because it indicated a connection between Liv and the services provided. However, the words were not used in respect of services for which the two trade marks are registered or of the same description as those services.
4. Liv’s website has undergone a number of substantial changes since 11 October 2010. They include changes apparently designed to avoid customers being misled into thinking they were booking with Mirvac. The applicants sought to characterise the changes as being admissions of illegitimate conduct. Ms Patalano’s evidence is that the changes were prompted by demands made by Mirvac’s solicitors in a letter dated 29 September 2010, but that she does not accept the basis asserted for those demands. I accept that Liv and Ms Patalano were prepared to make the changes to avoid the threat of litigation, and their conduct was not an admission of wrongdoing. But, it was a recognition of the potential for guests to be confused.

#### Website in form at 6 September 2011

1. The applicants’ next complaint concerns the use of the words “Harbour Lights Apartments” as a subheading on a page on Liv’s website in its form at 6 September 2011. By that time, Liv had altered the website so that most of the references to the apartments were as being “located in the Harbour Lights complex”.
2. On one page, there was the heading “cairns luxury apartments” followed by several links and then the words “Accommodation Specials” (apparently reached by clicking the “Specials” link). After that appeared the following words:

HARBOUR LIGHTS APARTMENTS

A collection of absolute waterfront, luxury apartments located in the City of Cairns at the Marlin Marina precinct, these apartments include studio harbour view rooms, 1 bedroom inlet view apartments, 1 bedroom harbour view apartments, 2 bedroom and 3 bedroom harbour view apartments, as well as 3 bedroom sub-penthouse harbour view apartments and penthouse city and absolute harbour view apartment. Cairns Luxury Apartments offer the best waterfront accommodation on the Marlin Marina in the Cairns City Centre. ‘Any Closer – you will need a dive certificate’.

Cairns Luxury Apartments check-in lounge is easily located diagonally opposite the Harbour Lights complex in Cairns where we have our own Visitor Information Centre that we have been running in Cairns for over 10 years…

1. In my opinion, the words “Harbour Lights Apartments” in the subheading would be taken as a reference to the name of the collection of apartments. The operator of the business offering the apartments was named as “Cairns Luxury Apartments”. The words “Harbour Lights Apartments” did not distinguish Liv’s services from the services provided by other providers of apartments in the Harbour Lights complex. The words were not used as a trade mark.
2. The applicants’ next complaint is about a page with the heading “guest comments” on the website as it was on 6 September 2011. One of the comments was:

Dear Ladies at Harbour Lights, back home in Austria I want to thank you for the wonderful stay at Harbour Lights! The apartment was superb and everything just perfect. We enjoyed every minute of our stay in Cairns und hopefully we will be able to visit this wonderful place once again in our life. This was the most beautiful accommodation we ever had on holidays. Thank you so much for everything und best regards!

1. The ladies referred to were presumably members of Liv’s staff. The first reference to Harbour Lights did suggest that Liv was operating a business called “Harbour Lights” which was the origin of the services provided. Liv’s staff were not “at” the Harbour Lights building. This use of “Harbour Lights” amounts to use as a trade mark.
2. The respondents submit that the use of guest testimonials is not within their control. I reject that submission. The evidence shows that Liv had the website constructed and changed from time to time. The content of the website was under their control.
3. This use of “Harbour Lights” satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of “Harbour Lights Cairns” on third party websites

1. The applicants complain about listings placed by Liv on various hotel accommodation websites. These are websites operated by what the applicants describe as On-line Travel Agents (“OTAs”) which advertise accommodation and allow members of the public to make bookings. The operator of the website receives a commission for each booking made.

#### Cairnsaccommodation.com

1. The applicants complain of a listing on the website Cairnsaccommodation.com. There is in evidence a page from that website at 30 June 2010. That page had the heading “Cairns Hotels” followed by:

Cairns Harbour Lights

Cairns Harbour Lights luxury apartments are brilliantly positioned on Cairns stunning waterfront, and the contemporary and stylish apartment hotel offers guests stunning views of the Marina, City and rainforest clad mountains that envelop Cairns. Cairns Harbour Lights is a five star holiday apartment complex that offers a selection of hotel rooms, one, two and three bedroom fully self-contained holiday apartments. Cairns Harbour Lights is a fresh and contemporary five star apartment complex nestled in the chic Pier district of Cairns CBD, offering easy access to all that makes the tropical city of Cairns unforgettable – the exquisite eateries, boutique shopping, vibrant nightlife, and eclectic markets.

We Guarantee To Match The Lowest Rates.

BookNow and Automatically Receive Free Dining Vouchers And Receive Bonus Discounts On Tours

1. Then there were a number of links followed by a description of the facilities, information about check-in and check-out times, reception hours and accommodation features at Cairns Harbour Lights.
2. After that the following appeared:

Room Descriptions

**Cairns Harbour Lights Hotel Rooms** – the hotel rooms at Cairns Harbour Lights exude a fresh and contemporary feel, and ideally suited for couples on an overnight stay or those on a short business trip. The five star hotel rooms at Cairns Harbour Lights boast a range of features including air-conditioning, cable television, broadband internet access, large balconies with views of the boat Harbour or parklands (all rooms except two), en suite rooms with shower facilities only, mini bar and tea and coffee making facilities. Each hotel room at Cairns Harbour Lights features a comfortable queen bed, and has a maximum capacity for two guests. Couples and business travellers will enjoy the fresh style and unbelievable views of the ocean and beyond in the Cairns Harbour Lights hotel rooms.

**Cairns Harbour Lights Apartments** – the spacious one, two and three bedrooms fully self-contained holiday apartments at Cairns Harbour Lights are sure to impress the most discerning traveller. Cairns Harbour Lights apartments are ideal for longer vacations, couples seeking a romantic inner city holiday sanctuary, families who prefer to self cater and business travellers who appreciate the space and privacy offered by apartment accommodation.

1. In my opinion, the words “Cairns Harbour Lights” where they first appeared on the webpage were a reference to the apartments, not the business providing the accommodation. While the words “We Guarantee To Match The Lowest Rates” followed, those words appeared to refer to the OTA operator of the website, rather than the accommodation provider. The page did not distinguish Liv’s services from those offered by others.
2. I do not think that the words “Cairns Harbour Lights Hotel Rooms” where they appeared as a subheading were used as a badge of origin. Those words were purely descriptive of the hotel rooms in the Cairns Harbour Lights building. The same can be said of the subheading “Cairns Harbour Lights Apartments”.

#### Roamfree.com.au

1. The applicants’ next allegation is about a listing on the website Roamfree.com.au. On 30 June 2010 there was a page headed “HARBOUR LIGHTS CAIRNS – the luxury collection”. That page then had a reference to the types of apartments available, the dates on which they were available and the prices. Later appeared the words, “Harbour Lights Private Apartments are superb five-star self-catering holiday apartments located in one of the most sought after absolute waterfront properties in Cairns.”
2. The words used in the heading were Liv’s registered business name (apart from variations in the use of capital and lower-case letters). The name by which the apartments are known was described as “Harbour Lights Private Apartments”. “HARBOUR LIGHTS CAIRNS – the luxury collection” would be understood by viewers to be a business that provided services including letting accommodation in the apartment complex. The page distinguished the services provided by Liv’s business. This amounts to trade mark use.
3. The respondents submit that the use of the words “the luxury collection” in conjunction with the words “harbour lights cairns” mean that the use was not of a name substantially identical or deceptively similar to the trade marks. I reject that submission. It is at least deceptively similar.
4. This use of a mark deceptively similar to HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency service”, “agency services for the leasing of real estate properties” and the hotel services.

#### Maplandia.com

1. The applicants rely on a listing on the website Maplandia.com as at 30 June 2010. That listing contained the words “Harbour Lights Cairns – The Luxury Collection – hotel details and booking”. It is unnecessary to describe the rest of the page. The relevant words comprise Liv’s business name. The use of the words contained in that name was as a badge of origin. Those words distinguished Liv’s services from those provided by others. This amounted to trade mark use.
2. However, Lisa Thomas, Liv’s property manager, gave evidence that Liv had not applied for a listing on the Maplandia website and had not given any information to Maplandia. I accept that evidence. It is plausible that Maplandia may have independently acquired the information from another source. I find that Liv did not use the words found on the Maplandia website.

#### Booktoday.com

1. A listing on the website Booktoday.com had the heading “Cairns Harbour Lights – The Luxury Collection” on 30 June 2010. Underneath that appeared:

“Harbour Lights Cairns – The Luxury Collection” apartments are individually chosen within the Harbour Lights Cairns complex and are rated 5 star.

1. Liv’s business name was used. The apartment complex was described by a different name. The heading was a badge of origin and distinguished Liv’s services. This was use as a trade mark. I reject the respondents’ submission that the addition of “The Luxury Collection” meant that the use of the name was not deceptively similar to CAIRNS HARBOUR LIGHTS. This use satisfies the elements of s 120(1) of the TMA. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

#### Asiarooms.com

1. A page on the website of Asiarooms.com as at 22 September 2010 had the heading “Harbour Lights Cairns – Description ★★★★★”. Under that appeared the text:

Hotel Description

Completed in June 2007, the award-winning Cairns Harbour Lights is a truly unique contemporary hotel combining the comfort of serviced hotel accommodation with the freedom of self contained apartments. The hotel is centrally located on the Cairns waterfront next to the Reef Fleet terminal, and offers views unlike anywhere else in Cairns…

1. In my opinion, the words “Harbour Lights Cairns” in the heading were used purely as a reference to the name of the “hotel”. That is evident from the use of the word “description” followed by five stars and “hotel description” followed by the description of the hotel, the accommodation and the location. The words “Cairns Harbour Lights” in the block of text also described the hotel. They were not used as a badge of origin.

### Use of “Harbour Lights Apartments” in Google search results description

1. The applicants contend that Liv used the words “Harbour Lights Apartments in Cairns offer luxury private waterfront accommodation for holiday letting and short-term rental” in a Google search results description.
2. The words represented that it is “Harbour Lights Apartments” that offers the accommodation for holiday letting and short-term rental. It distinguished the services provided by that business from services provided by others. It was use of the words as a trade mark.
3. The respondents submit that they are not responsible for how Google arranges its search results. However, the complaint is not about the way the results are arranged, but about the words that appear in the results description.
4. The words used are deceptively similar to the registered trade mark HARBOUR LIGHTS.
5. Section 120(1) of the TMA is satisfied in relation to all the Class 36 and Class 43 services other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of “Harbour Lights” as website keywords

1. There is in evidence a printout of what is called the “source data” for the website www.cairnsluxuryapartments.com.au. The source data includes a “meta-tag”, being “Harbour Lights”. Mr Mezzatesta deposed, without objection, that a meta-tag is not displayed on the screen but is used by search engines such as Google to determine what search results to return when a user undertakes a search.
2. The source data includes the title “Cairns Luxury Accommodation – Waterfront Apartments – Harbour Lights – Cairns Queensland”. Under that are “keywords”. The first of those is indecipherable in the printed document put into evidence, but the second is “Harbour Lights”. The source data also includes the words “content: = Harbour Lights Apartments in Cairns offer luxury private waterfront apartment accommodation for holiday letting and short-term rental”. The applicants allege that the use of those words in the source code infringes their trade marks.
3. The respondents argue that there is no evidence that the use of website keywords is within the control of the respondents.
4. Mr Mezzatesta deposed that on 28 May 2013 he looked at the source data for the website www.cairnsluxuryapartments.com.au using his browser. He then caused the printout to be made of the source data for that website. Mr Mezzatesta’s evidence satisfies me that the source data that he located was visible to those who know what to look for, underlay Liv’s website and influenced search results.
5. There is no direct evidence that the source data was placed there by someone acting on behalf of Liv. However, there is evidence that Liv engaged an IT consultant to create the website. There is evidence that Liv operates the website and has had the content of the website changed from time to time. From this evidence, I accept that Liv has control of the website, including the source data for the website. I infer that the words comprising the source data must have been included to optimise the search results for Liv’s benefit. In the absence of any suggestion as to how else the relevant words could have come to form part of the source data for Liv’s website, I infer that the IT consultant must have included those words, with Liv’s acquiescence. I therefore consider that the words were “used” by Liv.
6. The use of the words “Harbour Lights” in the title “Cairns Luxury Accommodation – Waterfront Apartments – Harbour Lights – Cairns Queensland” appears to be merely a descriptor of the waterfront apartments that are referred to in the title. The first use of the words “harbour lights” in the keywords also appears to be a reference to the apartments appearing, as they do, in the context of surrounding words such as “Cairns apartments”, “waterfront, luxury apartment” and “harbourside”. I cannot see that those words were used as a badge of origin.
7. The phrase “content: = Harbour Lights Apartments in Cairns offer luxury private waterfront apartment accommodation for holiday letting and short term rental” seem to use the words “Harbour Lights Apartments” effectively as a business name. Those words represented that Harbour Lights Apartments was the business which offers the accommodation for letting and short-term rental. The words distinguished Liv’s services from those offered by other providers. Their use was trade mark use.
8. This use of “Harbour Lights” meets the elements of s 120(1) of the TMA in relation to both registered trade marks. It does so in relation to each of the Class 36 and Class 43 services, other than “commercial real estate agency services”, “agency services for the leasing of real estate properties” and the hotel services.

### Use of “Harbour Lights Luxury Accommodation” in WhitePages and YellowPages Telephone Directory Listings

1. The applicants allege that Liv had entries included in the WhitePages and YellowPages telephone directories which contained the words “Harbour Lights Luxury Accommodation” and which infringed their trade marks.
2. The evidence does not establish that Liv or Ms Patalano or any other servant or agent of Liv caused the entries to be made. I am not satisfied that Liv used any relevant signs by having the entries made in the WhitePages or YellowPages.

### Use of “Harbour Lights complex” on Liv’s Website

1. The applicants’ next complaint is about Liv’s website as it was at 2 December 2013. The website had a series of links at the top of the page. They were “Home”, “Harbour Lights Complex”, “Luxury Apartments & Holiday Houses”, “Luxury Tours” and “Contact”. Then there was a heading “Cairns Luxury Apartments” followed by the subheading “Cairns Luxury Accommodation – Holiday Apartments With Class”. There was then a general description of the services offered by Cairns Luxury Apartments. At the bottom of the page there was a reference to “Harbour Lights Complex”, followed by a short description of the type of apartments available, such as “2 bedroom harbour view”. The same description of “Harbour Lights Complex” that appeared at the bottom of the home page also appeared at the bottom of several other pages of the website.
2. In my opinion, the words “Harbour Lights Complex” as a link on each page of the website were merely a descriptor of the complex where some of the apartments that “Cairns Luxury Apartments” offered for letting were located, not a badge of origin. That was reinforced by the description of the accommodation available at “Harbour Lights Complex, towards the bottom of each page. The link to “Harbour Lights Complex” was a reference to apartments available on the Harbour Lights building. The use was not use as a trade mark.
3. The applicants then complain of the use of “Harbour Lights” in the source code of Liv’s website. The applicants’ solicitor, John Swinson, deposed that “the Source Code for the Homepage of this website” is attached to his affidavit. The page containing the source code referred to a title “Cairns Luxury Accommodation – Waterfront Apartments – Harbour Lights – Cairns, Australia”. Later, it referred to the “Harbour Lights complex”. The heading seemed to use “Harbour Lights” to merely describe the name of the apartments being promoted. Those words were not used as a badge of origin. The words “Harbour Lights complex” also merely described the building at which some of the apartments offered by “Cairns Luxury Accommodation” were located. The references to “Harbour Lights” in the source code of the website do not amount to use as a trade mark.

### Use of words including “Harbour Lights” as a title on accommodation listing websites

#### Agoda.com

1. The applicants next complain of a listing at the OTA website Agoda.com as at 2 December 2013. The webpage had the heading “Cairns Luxury Apartments – Harbourlights Complex ”. The heading was followed by the address, 1 Marlin Parade.
2. The words “Harbourlights Complex” merely described the location of the building at which the apartments for letting were located. Those words were not used as a badge of origin. They were not used as a trade mark.

#### Hotwire.com

1. The applicants’ next allegation concerns an accommodation listing at the website Hotwire.com as at 2 December 2013. Its complaint is about the heading “Harbour Lights Apartments”. The address was given as 1 Spence Street, Cairns. That address was not the location of the apartments. On one view, “Harbour Lights Apartments” could be a reference to the business advertising apartments for let. However, there was a sub-heading “Property Location” and under that appeared the words “With a stay at Cairns Luxury Apartments – Harbour Lights CMS Complex, you’ll be centrally located in Cairns, steps from the Reef Hotel Casino and Reef Fleet Terminal.” That tended to suggest that it was Cairns Luxury Apartments that was offering the services advertised. Much of the remainder of the content of the webpage described the facilities, location and rooms that were available. Later there was another reference to “Harbour Lights Apartments”, and again giving the address of 1 Spence St, Cairns.
2. Although it would have been clearer if the address for “Harbour Lights Apartments” had been given as 1 Marlin Parade, I am not persuaded that the words “Harbour Lights Apartments” were used as a badge of origin in the overall context of the advertisement. In my opinion, there was enough to indicate to the viewer that those words merely described the name of the apartment complex, rather than operating as a badge of origin for Liv’s business. That was not trade mark use.
3. In any event, the evidence of Ms Patalano was that she had never heard of Hotwire.com. Ms Thomas’ evidence was that she has never had any contact with Hotwire.com. I am not satisfied that Liv caused the listing to be made. I find that Liv did not use the words found on that website.

#### Maplandia.com.au

1. The applicants’ next allegation is about a heading on the website Maplandia.com.au as at 30 June 2010. The page had the heading “Harbour Lights Cairns – The Luxury Collection hotel Cairns” and was followed by a large subheading saying “Harbour Lights Cairns – The Luxury Collection”. The hotel’s address was listed as “2 Marlin Parade”. The webpages used Liv’s business name. The words were used as a badge of origin and distinguished Liv’s services from those of other providers. However, Ms Thomas’ evidence satisfies me that the listing was not created by Liv. The words were not used by Liv.

#### Asiarooms.com

1. The applicants’ next allegation is about a heading on a webpage at www.Asiarooms.com as at 6 September 2011. The page had the heading “Harbour lights cairns Hotels”. There was a statement that “Cairns Luxury Apartments are individually chosen and managed & are located in the Harbour Lights complex and are rated 5 star.” A viewer would be given the impression that the business “Cairns Luxury Apartments” offered apartments or hotel rooms located in the Harbour Lights complex. In my opinion, a viewer would not think that the service was being offered by “Harbour lights cairns hotel” or “Harbour Lights complex”. Those words were not used as a badge of origin and were not used as a trade mark.

## Allegations against Ms Bradnam for the period from 17 May 2010 to the present

1. The applicants’ case of infringement of trade marks against Ms Bradnam for the period from 17 May 2010 to the present is that she remains registered as the owner of the domain names and that she continues to use the domain names to resolve to Liv’s website.
2. Ms Bradnam’s evidence was that as part of the sale of the business the domain names were to be transferred to Liv. She says she was unaware that she was still the registered owner of the domain names until informed of that by the letter from the applicants’ solicitors of 29 September 2010. She said that she had not since transferred them because she was in the middle of a legal battle and did not know if this was an appropriate time to transfer them. She said that it was an oversight that the domain names had not been transferred. She denied the suggestion put in cross-examination that she had kept the domain names because she thought she might get some money for them. She has indicated that she will abide by the order of the Court as to any transfer.
3. The contract for the sale of the business makes it clear that the domain names harbourlightscairns.com.au and cairnsharbourlights.com.au were included as part of the sale. Clause 6.1(q) of the conditions of sale required Ms Bradnam to sign all documents required to transfer the domain names to Liv. I cannot see that there was some advantage or potential advantage to her or to Liv in deliberately not affecting the transfer. It seems to me that Ms Bradnam’s evidence that this did not occur through oversight is credible. I accept her evidence in this regard.
4. I do not accept that the mere fact that Ms Bradnam is the registered owner of the domain names means that she has used them. Ms Bradnam has not participated in the conduct of Liv’s business since 17 May 2010. I accept that since 17 May 2010, Liv has used the domain names, but find that Ms Bradnam has not.

## Section 120(2) TMA – Use of trade mark in relation to services of the same description as the registered services

1. Where I have concluded that use of “Harbour Lights” or “Cairns Harbour Lights” satisfies the elements of s 120(1) of the TMA, it has been on the basis that the use has been in relation to services in respect of which the trade mark is registered. On that basis, it is strictly unnecessary for me to consider s 120(2), although I will do so in case I am wrong.
2. It is obvious that I would consider such use as being in relation to services of the same description as that of services in respect of which the trade marks are registered.
3. I do not accept the respondents’ submission that they have established that using the signs as they did was not likely to deceive or cause confusion. The respondents argue that:

(a) their conduct was directed to describing “Harbour Lights” as the name of the location in relation to which the services were provided;

(b) their use of “Harbour Lights” was in connection with the name “Cairns Luxury Accommodation – Holiday Apartments” and “Cairns Luxury Apartments”, both of which are described as independent property agencies;

(c) the use of “Harbour Lights” by Liv was, in some instances, in conjunction with specific disclaimers to distinguish Liv’s services from those offered by Accor.

1. As to the first of those arguments, in those instances where I have found that the elements of s 120(1) are satisfied, the trade marks were not used merely as the name of a location, but as a badge of origin.
2. As to the respondents’ second and third arguments, the fact that Liv considered it appropriate to specifically include words on its website and OTA websites to distinguish its business from that of Accor’s demonstrates that it recognised the potential for confusion by its use of the trade marks. Applying an objective test, the use by Liv of “Harbour Lights” as a trade mark was likely to cause confusion to potential customers as to who the business was operated by.

## Section 122(1)(b) TMA – Use in good faith to indicate geographical or some other characteristic

1. Section 122(1)(b) of the TMA provides that a person does not infringe a registered trade mark when “the person uses a sign in good faith to indicate…the geographical origin, or some other characteristic, of goods or services”.
2. My reasoning concerning s 41(3) is sufficient to dispose of the respondents’ defence under s 122(1)(b) of the TMA (see [230]-[232]. As I have concluded that Ms Bradnam and Liv did not use “Harbour Lights” or “Cairns Harbour Lights” or some variation of those words to indicate the geographical origin or some other characteristic of their services, the question of “good faith” does not arise. However, I will consider this question in case I am wrong in my conclusion. It is also appropriate to consider it because the applicants specifically submitted that Ms Bradnam and Liv had acted “with the intent to trick people into believing that they were Accor, or in some way associated with Accor.” The applicants also submitted that some of Ms Bradnam’s evidence was dishonest. I will consider the issue of good faith on the basis that Ms Bradnam’s and Liv’s use of the trade marks was to indicate the geographical origin or some other characteristic of their services.
3. In *Mantra Group v Tailly*, Reeves J held at [80] and [94], that the general purpose of s 122(1)(b) is to protect a trader who makes a chance use of a word in circumstances where he or she was unaware that the word formed part of another trader’s trade mark, particularly where the word used is a descriptive word in ordinary English usage.
4. Ms Bradnam’s argument is that she was entitled to use “Harbour Lights” in connection with her business in circumstances where the complex was generally known as “Harbour Lights” and she and her partner owned apartments in the complex. She claimed that she was unaware that CHL had registered the trade marks until she received a letter dated 29 September 2010 from CHL’s solicitors.
5. Ms Bradnam entered a contract for the purchase of her apartment on 5 April 2005. For a period of about six weeks from July 2007, Ms Bradnam was employed as a real estate agent by an agency engaged by CHL. She was aware that CHL and its agents were using names that incorporated “Harbour Lights” and “Cairns Harbour Lights” to market sales of apartments. She was aware that Mirvac was using “The Sebel Harbour Lights” to market its agency services. The assumption I proceed on for present purposes is that CHL and Accor were, in effect, trading as “Harbour Lights” and “Cairns Harbour Lights”.
6. In *Anheuser-Busch Inc v Budějovický Budvar, Národní Podnik & Ors* (2002) 56 IPR 182 at [214], Allsop J (as the Chief Justice was then) cited with approval the following passage from *Baume & Co* *Ltd v A.H. Moore Ltd* [1958] Ch 907:

The mere fact in itself that a trader is using his own name which too closely resembles a registered trade name of which he is aware does not prevent the user from being “bona fide”, provided that the trader honestly thought that no confusion would arise if he had no intention of wrongfully diverting business to himself by using the name.

1. In *Wellness Pty Ltd v Pro Bio Living Waters Pty Ltd* (2004) 61 IPR 242, Bennett J held at [43]:

The requirement for the use to be in good faith imports an absence of intention to make use of the goodwill which has been acquired by another trader. The resemblance between the registered trade mark, of which the first respondent was aware and the name of the first respondent does not prevent the use being bona fide provided that there was an honest belief that no confusion would arise and if there were no intention of wrongfully diverting business.

1. My impression was that Ms Bradnam generally gave her evidence honestly. I consider that the attack on her credit largely failed, and I will discuss that later. She saw a business opportunity in circumstances where she and her partner had apartments that they wished to let and where her partner had told her that Accor’s fees were too high and that Accor had expressed no interest in letting his apartments in the Residential Scheme. She registered the domain names and her business names at a time well before CHL registered the trade marks (although, on the present assumption I have made, after she knew that CHL and Accor were marketing their services using the trade marks as a badge of origin). I accept that she was not aware of the fact that the trade marks had been registered until after 29 September 2010. By then she had sold the business.
2. I consider that Ms Bradnam did not intend to make use of CHL’s or Accor’s goodwill or to divert business from them. However, she was certainly keen to maintain the association of her business with the name of the apartment complex, “Harbour Lights” or “”Cairns Harbour Lights”. It was to her commercial advantage to trade using a business name and domain names that incorporated the words “Harbour Lights” (as it was for CHL and Accor). She must have been aware that confusion was likely to result from her use of “Harbour Lights” and “Cairns Harbour Lights” as a badge of origin as to whether it was her business or CHL and Accor using those marks. I thought that in her evidence she tended to understate her knowledge of the likelihood of confusion and of actual confusion on the part of her guests. In these circumstances, I consider that the requirement of good faith in s 122(1)(b) has not been demonstrated by Ms Bradnam. I reach the same conclusion in respect of Liv, particularly after it became aware by reason of the solicitors’ letter of 29 September 2010 that the trade marks had been registered.
3. The applicants allege that some aspects of Ms Bradnam’s evidence and conduct were dishonest. I should deal specifically with those matters.
4. Firstly, there was a conflict in the evidence concerning a meeting between representatives of Accor and Ms Bradnam in about September 2007. Mr Christopher Northam, formerly the general manager of Mirvac’s Harbour Lights hotel business, was called by the applicants to give evidence. He said he was concerned that Ms Bradnam’s use of the words “Harbour Lights” was causing problems because her customers were trying to check in at Mirvac’s reception desk. He organised a meeting with Ms Bradnam, but did not inform her as to its purpose beforehand. Mr Northam and two other of Mirvac’s executives, Tony Marrinan and Andrew Taylor, attended the meeting. Mr Northam’s evidence was that he told Ms Bradnam that Mirvac was very concerned that her business name, website address and the content of her website used “Harbour Lights” because it was causing confusion for guests. He said that Ms Bradnam responded by saying she had no idea this was happening and apologising.
5. Ms Bradnam’s evidence was that she was not asked to stop using “Harbour Lights” at the meeting, but that she was accused of having used the name “Sebel” in her advertising with Wotif. She denied she had done so. Ms Bradnam said that she felt that Mirvac’s representatives were trying to bully her into saying that she had used the name “Sebel” in her advertising. She seemed to acknowledge that Wotif may have used “Sebel” in her listing, but said that this was an error on the part of Wotif. Her entry on Wotif was subsequently removed.
6. I did not think that either Mr Northam or Ms Bradnam was being dishonest in the evidence they gave. They were both doing their best to recall a meeting which occurred a long time ago. However, I think that it is more likely that Ms Bradnam’s version of what was said is correct. She had more reason to remember precisely what was said because she was being confronted about an issue which involved her own business. Mr Northam did not take any notes. Mr Taylor had taken the lead in the meeting. However, neither Mr Taylor nor Mr Marrinan was called to give evidence. I infer that their evidence would not have assisted the applicants’ case. If Mr Northam’s evidence is assumed to be correct, it is surprising that Mirvac took no action to prevent Ms Bradnam from using “Harbour Lights”, or do anything to follow up their complaint at that stage. Therefore, I prefer Ms Bradnam’s version of what happened at the meeting.
7. The applicants assert that Ms Bradnam acknowledged that she was operating her business until May 2007 without a real estate agent’s licence. I do not think that her evidence went as far as that. She acknowledged that she had been advertising her apartment and those of her partner prior to obtaining a real estate agent’s licence, but did not say that she had taken any bookings prior to that time. The applicants did not draw to my attention any law that she had broken in advertising the apartments before obtaining a real estate agent’s licence.
8. The applicants allege that Ms Bradnam deliberately targeted Accor’s business by registering as many domain names as she could that incorporated the trade marks. While Ms Bradnam did incorporate several domain names, I do not accept that she did this with the intention of targeting Accor’s business. I accept her evidence that she registered the first two domain names when she saw a gap in the service that Accor was providing and sought to fill that gap. Her business then expanded to directly compete with Accor. She was entitled to compete.
9. I do not accept that Ms Bradnam and Liv acted with intent to trick people into believing that they were Accor, or in some way associated with Accor. However, as I will discuss later, both Ms Bradnam and Liv, through Ms Patalano, were willing to allow their guests and potential guests to assume that they had an on-site presence at the Harbour Lights complex and that they operated a hotel. There are aspects of their conduct which were misleading or deceptive.

## Section 124(1) TMA – Prior use of trade mark

1. Section 124(1) of the TMA provides:

(1) A person does not infringe a registered trade mark by using an unregistered trade mark that is substantially identical with, or deceptively similar to, the registered trade mark in relation to:

(a) goods similar to goods (*registered goods*) in respect of which the trade mark is registered; or

(b) services closely related to registered goods; or

(c) services similar to services (*registered services*) in respect of which the trade mark is registered; or

(d) goods closely related to registered services;

if the person, or the person and the person’s predecessor in title, have continuously used in the course of trade the unregistered trade mark in relation to those goods or services from a time before:

(e) the date of registration of the registered trade mark; or

(f) the registered owner of the registered trade mark, or a predecessor in title, or a person who was a registered user of the trade mark under the repealed Act, first used the trade mark;

whichever is earlier.

1. In the course of considering the part of the respondents’ cross-claim based on s 58 of the TMA, I found that Ms Bradnam was the first user of marks substantially identical to the registered trade marks in relation to each of the Class 36 and Class 43 services other than “commercial real estate agency services” and the hotel services (see [205] and [206]). Those findings, substantially, but not entirely, deal with the issues that arise under s 124(1).
2. The defence under s 124(1) applies not merely to the use by a respondent of a substantially identical unregistered trade mark, but also one that is deceptively similar to the registered trade mark. I have found that Ms Bradnam’s business name “Harbour Lights Sales and Property Management” and her domain names “cairnsharbourlights.com”, “cairnsharbourlights.com.au” and “harbourlights.com.au” are substantially identical to each of the registered trade marks “Harbour Lights” and “Cairns Harbour Lights”. I also consider, applying the definition in s 10 of the TMA and the test in *Shell Company* that this business name and the domain names are deceptively similar to the registered trade marks. I did not understand the applicants to contend to the contrary, their submissions concerning s 124(1) being confined to the issue of who was the first user of the unregistered trade marks.
3. The next question is whether Ms Bradnam and Liv have continuously used the unregistered trade marks in the course of trade.
4. The expression “predecessor in title” is defined in s 6. The note to that definition indicates that an unregistered trade mark may only be assigned or transmitted in Australia in conjunction with the goodwill of a business concerned with the trade mark. Under the contract for the sale of Ms Bradnam’s business, Liv was assigned Ms Bradnam’s goodwill and intellectual property, including the business names, the domain names and the unregistered trade marks. Ms Bradnam is still shown as the “Registrant” of two of the domain names, namely cairnsharbourlights.com.au and harbourlightscairns.com.au. Ms Patalano is the “Registrant” of harbourlightscairns.com. There was no evidence as to precisely what is the status of a “Registrant”, and it was not argued by the applicants that a “Registrant” is necessarily the owner of any property in the domain name. Liv became the owner of the property assigned under the contract of sale. There is no evidence of any subsequent assignment of that property by Liv. Ms Bradnam is Liv’s predecessor in title in respect of the unregistered trade marks. Ms Bradnam and then Liv have continuously used the unregistered trade marks in the course of trade since 31 October 2006.
5. I consider that in s 124(1)(f) the words “first used the trade mark” must refer to the first use of a mark identical or substantially identical to the mark that was registered. I have found that neither CHL nor Accor used any mark identical to or substantially identical to “Harbour Lights” and “Cairns Harbour Lights” before Ms Bradnam in relation to the Class 36 and Class 43 services other than “commercial real estate agency services” and the hotel services (see [205] and [206]).
6. I find that the respondents have made out the defence in s 124(1), except as to their use of the unregistered trade marks in respect of “commercial real estate agency services” and the hotel services.

# MISLEADING OR DECEPTIVE CONDUCT

1. The next aspect of the applicants’ case is that the respondents, in trade or commerce:

(a) engaged in conduct that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 18 of the ACL; and

(b) in connection with the supply or possible supply of services, or in connection with the promotion by any means of the supply or use of services, represented that they have a sponsorship or approval that they did not have, in contravention of s 29(1)(g) of the ACL.

1. The applicants’ written submissions summarise their case as follows:

In general terms, it is the Applicants’ case that the Respondents have engaged in a sophisticated pattern of misconduct in order to lure customers who are looking for and intending to book accommodation with Accor (either specifically, or as the on-site manager of the property) or a hotel in Cairns to websites owned and operated by the Respondents. The Respondents deceive consumers into believing that they are booking accommodation provided by Accor when they place a booking with the Respondents.

…

When looking at how Liv and Patalano promote their business today, the aim is to mislead consumers into believing they are booking with a hotel, or at least, with the onsite operator of a serviced apartment building. Facts that may cause consumers to conclude otherwise are not disclosed or hidden away.

1. The applicants’ written submissions as to what conduct the respondents engaged in and how that conduct was misleading or deceptive are cast at a level of some generality. This perhaps reflects the progress of the case under the Fast Track procedures and absence of pleadings in the usual form. In the course of oral submissions, the applicants produced a document entitled “Representations of Respondents” which sets out the conduct alleged by the applicants with more specificity. I understand this document to have overtaken the applicants’ more general written submissions and to deal with all of the conduct they complain of.
2. The representations described in that document reflect conduct that the respondents are alleged to currently engage in. That is consistent with a passage in the applicants’ written submissions which states “The focus of the Applicants’ case…is the ongoing conduct of the Respondents”. Therefore, while the applicants’ written submissions state that their case relies partly on ss 52(1) and 53(c) of the TPA, I understand them to now rely only on current conduct, which comes within ss 18(1) and 29(1)(g) of the ACL.

## The elements of ss 18(1) and 29(1)(g) of the ACL

1. Section 18(1) of the ACL provides:

(1) A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

1. Section 29(1)(g) of the ACL provides:

(1) A person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services:

…

(g) make a false or misleading representation that goods or services have sponsorship, approval, performance characteristics, accessories, uses or benefits; or

1. The applicants allege that the conduct of each of the respondents attracts primary liability under ss 18(1) and 29(1)(g) of the ACL and that Ms Bradnam’s conduct also attracts accessorial liability under s 232(1) of the ACL.
2. In the context of the present case, s 18(1) of the ACL requires consideration of the following issues in relation to each alleged representation:

(a) whether the representation was made in trade or commerce;

(b) whether it was the respondents who made the representation;

(c) what representation was made, and what it means;

(d) whether the representation was misleading or deceptive.

1. The issues that arise under s 29(1)(g) in relation to each alleged representation are:

(a) whether the representation was made in trade or commerce;

(b) whether it was the respondents who made the representation;

(c) whether the representation was made in connection with the supply, or possible supply of services, or in connection with the promotion by any means of the supply of services;

(d) whether the representation was that the services have sponsorship or approval;

(e) whether the representation was false or misleading.

1. There is no dispute that each representation was made in connection with the supply or possible supply of promotion of the supply of services. There is a dispute as to whether several of the representations were made in trade or commerce. The remaining issues are in dispute in relation to each alleged representation.
2. I have earlier set out the principles relevant to s 52(1) of the TPA (see [258]-[260]). Those principles are also relevant to s 18 of the ACL. The same principles apply in respect of allegations of contravention of s 29(1)(g) of the ACL: c.f. *Rice Growers Ltd v Real Foods Pty Ltd* (2008) 77 IPR 32; [2008] FCA 639 at [112] per Rares J; *Australian Competition and Consumer Commission v Energy Watch Pty Ltd* [2012] FCA 425 at [23] per Marshall J.
3. Where the contravention involves the making of a representation to the public or a class of the public, it is necessary for the Court to consider what ordinary persons in the class would understand by the representation, and whether a not insignificant number of such persons would have that understanding. This requires identification of the characteristics of the class of persons to whom the representation was made.
4. The applicants’ allegations principally involve representations made on the internet, whether on Liv’s own website or on OTA websites operated by third parties. Liv’s website and the OTA websites are accessible to members of the public. They are likely to be viewed by persons looking for holiday or short-term accommodation in Cairns and travel agents.
5. Some viewers will arrive at Liv’s website by making a general internet search using a search engine such as Google (for example, by entering “accommodation Cairns”). Except to those who are repeat guests or travel agents, no pre-existing knowledge of Liv or the operation of the Harbour Lights complex can be attributed. The same can be said of those persons who access Liv’s listings on OTA websites. For many such persons, Liv’s website or the listing on the OTA website will be their only source of knowledge of these matters.
6. The knowledge to be attributed to persons in the class will be influenced by the type of search made. If a viewer has conducted the search by entering cairnsharbourlights.com.au, harbourlightscairns.com.au or harbourlightscairns.com into a browser, the viewer is very likely to have some pre-existing awareness of the Harbour Lights complex. That may be because the viewer is a repeat guest, or a travel agent who has used Liv’s website before, or someone who has previously made a search using general search terms and wants to return to the site previously viewed, or because the viewer has otherwise heard of the Harbour Lights complex. I consider that in this class it is likely that there will still be many persons, who have very little pre-existing knowledge about Liv or letting or ownership arrangements at the Harbour Lights complex.
7. Whatever the path to Liv’s website or Liv’s listings on OTA websites, there will be many people who rely on such websites as their principal or only source of information about accommodation in the Harbour Lights complex.

## Liv’s website

1. Many of the applicants’ complaints of contraventions of the TPA and the ACL involve representations made on Liv’s website. I have already described the website in its form at 11 October 2010 (see [397]), 6 September 2011 (see [401]) and 2 December 2013 (see [439]).
2. The website in its current form has five links at the top of the home page to pages of the website. Those links are “Home”, “Harbour Lights Complex”, “Luxury Apartments & Holiday Houses”, “Luxury Tours” and “Contact”.
3. Underneath that is a photograph of a cruise ship in Trinity Inlet, with the Harbour Lights complex in the background. Underneath the photograph appear the words “CAIRNS” on one line, followed by “LUXURY APARTMENTS” on the next line.
4. Then there are more photographs and links to other pages. Next comes the heading “Cairns Luxury Accommodation – Holiday Apartments with Class”, followed by a block of text describing the accommodation and services offered by Cairns Luxury Apartments.
5. Towards the bottom of the home page is a small subheading “Harbour Lights Complex”, followed by dot points describing the accommodation offered, such as “Studio Harbour View” and “2 Bedroom Harbour View”. The address and contact details for Cairns Luxury Apartments are also set out.
6. At the right hand side of the home page is a series of links to other pages on the website. Those links are “Rates & Bookings”, “Facilities”, “Location & Map”, “About Cairns”, “Guest Reviews” and “Sales & Rentals”. Clicking on the “Facilities” link brings up a page that has the heading “Luxury Apartment Features”. The information on this page appears to relate to apartments offered by Liv both in the Harbour Lights complex and elsewhere. This page has the subheadings “Facilities”, “Guest Services”, “Apartment Features” and “Apartment Servicing”. Under the “Guest Services” subheading, there are the following dot points:
* Separate Check-in Lounge – located on the corner of Marlin Parade and the Esplanade diagonally opposite the Casino
* Office Hours are 8am – 9pm daily at the Visitor Information Centre
* Personalized after hours check in can be arranged
* Visitor Information and Booking Centre for all your holiday needs
* Luggage storage at the Visitor Information Centre
* Fax service available
* Limousine transfers to/from Cairns airport (Charges apply)
* Car Rental (Charges apply)
* Daily housekeeping available (Additional charges apply)
1. Under the subheading “Apartment Servicing” appears the following:

Apartments are serviced every 3 days (based on a five night stay or more). A daily service is available on request at an additional charge.

1. Later, the following words appear:

These apartments are located in the same complex as but are NOT part of the “Cairns Harbour Lights” Hotel. They do not have access to any of the associated services of the Hotel Section such as; on site reception check in, hotel room service, onsite luggage storage, daily room clean and concierge, however, these services are available.

1. Those words are repeated on the “Contacts” page.
2. The previous form of the website was slightly different. Instead of the words set out in the preceding two paragraphs, the previous website read:

“Cairns Luxury Apartments” are an independent property agency. We manage apartments that are located within certain hotel complexes but are not a part of or affiliated with the individual Hotels. Our apartments are serviced independently and do not have access to any of the services provided by each hotel such as; its hotel room service, onsite luggage storage, daily room clean, and concierge. Our personalised **CHECK INS/OUTS** are conducted at our **Visitor Information Office** (Reef Info Esplanade) located diagonally opposite the Harbour Lights CMS complex on the corner of Marlin Parade and the Esplanade.

(Emphasis in original)

## Evidence of confusion amongst guests

1. The applicants produced substantial body of evidence demonstrating that over the years many of Liv’s guests have been confused about matters such as whether their booking is with Accor, where they are to check-in and whether they have access to facilities offered by Accor, such as on-site luggage storage, concierge services and daily room servicing. To put that evidence in context, it is first necessary to say more about the way Accor conducts its business and to compare that to how Liv conducts its business.
2. Accor lets apartments in both the Residential Scheme and the Managed Scheme for short-term stays. Several of Accor’s witnesses describe its business as the “Cairns Harbour Lights hotel”. Accor’s guests in each scheme have access to Accor’s services and facilities.
3. Although the apartments in the Residential Scheme and the Managed Scheme are part of the same complex, they are in physically separate towers and are accessed by different entrances on the ground floor. There is a reception desk in the lobby for the Managed Scheme. Accor has its staff at the reception desk. Accor’s guests can check-in and check-out at the reception desk. Accor has the facilities to provide on-site luggage storage and other on-site services.
4. I have indicated that a guest booking a hotel room would expect, at a minimum, an on-site reception desk and the ability to check-in and check-out on-site (see [71]). A guest booking a 4½ star hotel would expect additional facilities, such as on-site luggage storage, a staff member in the hotel on a 24 hour basis, daily room servicing, the ability to get extra toiletries and towels from a person on-site and room service. Accor provides such services.
5. Liv trades as “Cairns Luxury Apartments”. It offers apartments for rental or letting. It does not provide any of the hotel services I have described.
6. I will refer to some of the evidence of confusion produced by the applicants. I do not think it is necessary to do so comprehensively in view of the conclusion I reach about the relevance of this evidence.
7. Luke Kotai was employed as a manager by Accor at the Cairns Harbour Lights building from 2008 until May 2012. Mr Kotai deposed:

8. Mirvac employees, including myself, were regularly placed in an extremely difficult position when dealing with the customers of the offsite letting agents, as often these customers did not appear to realise that they had dealt with an offsite real estate agent, and appeared to believe that they had booked directly with Mirvac. They did not seem to understand that Mirvac was unable to assist them in relation to many of their needs. They often seemed confused and frustrated, and took their anger out on Mirvac employees, including me.

…

11. While I worked at the Cairns Harbour Lights hotel, I saw many people who had booked with offsite letting agents, including with Cairns Luxury Apartments, frequently turn up at Mirvac’s reception desk seeking assistance. On most occasions it was apparent to me from what these people said that they did not realise that they had booked with an offsite letting estate agent. On most occasions, these people did not release [sic] that they had not booked with Mirvac, and did not understand why I was unable to assist them.

12. I had to deal with people who would turn up to the Mirvac reception desk and attempt check-in to apartments that were not managed by Mirvac. At one stage this was happening at least daily. Most often, these people had booked with Cairns Luxury Apartments.

…

16. During the period 2009 to mid-2012 in my experience this was happening at least daily.

…

24. Mirvac staff could not provide non-hotel guests with hotel pool towels, onsite luggage storage, complimentary newspapers, hotel umbrellas when it rained, charge back services to their rooms, in-house movies or daily servicing of their rooms. It was not uncommon for customers of Cairns Luxury Apartments to request such services from Mirvac staff, including from me, and to express frustration and confusion when told such services could not be provided by Mirvac to people who were not Mirvac guests.

...

36. I am unsure what Cairns Luxury Apartments did in these situations, but there were instances where guests ended up having a booking with both the Cairns Harbour Lights hotel and Cairns Luxury Apartments.

...

42. In my various roles at Mirvac, I occassionally I [sic] had to call the office of Cairns Luxury Apartments. The phone was often answered with the words *“Harbour Lights Cairns”*.

1. Penelope May was an employee of MacDonnells Law, a firm of solicitors. MacDonells Law had an arrangement with Mirvac where its employees would stay at Cairns Harbour Lights at a special rate. In August 2010, Ms May conducted a Google search for “Cairns Harbour Lights”. She clicked on a link which appeared to be a link to the website for the hotel. The website had the words “Harbour Lights Cairns” on its homepage and Ms May assumed that it was Mirvac’s website. She called the telephone number provided on the website and the person answered with the words “Cairns Harbour Lights”. Ms May asked for MacDonells’ special rates with Mirvac. The person she spoke to did not mention that she was booking with someone other than Mirvac, or that they did not have any special rates for MacDonells Law. Ms May made the booking. When she arrived at the complex, the reception staff did not have any record of her booking. It turned out that she had made the booking through Cairns Luxury Apartments. The incident caused her considerable embarrassment.
2. I have no doubt that many guests of Ms Bradnam and Liv have been confused about their bookings when they have stayed at the Harbour Lights complex. They have been confused about matters including whether the booking was with Accor or an off-site agent, whether they could check-in and check-out at the reception desk and whether they could use on-site facilities and services provided by Accor. I also accept that the respondents, Ms Bradnam in particular, were content to allow the confusion to occur. For example, on the evidence available, Ms Bradnam’s website and other advertising did not disclose that hers was an off-site agency which did not provide on-site reception. Liv has made more significant attempts to avoid the confusion, particularly since October 2010.
3. However, the historical events have limited significance for the applicants’ misleading or deceptive conduct case. As I understand it, the focus of their case is upon Ms Bradnam’s and Liv’s current conduct.
4. The evidence of continuing confusion is relevant to the question of whether the respondents’ conduct complained of by the applicants is misleading or deceptive. Ms Kerrie Gee has been employed as a night auditor and receptionist by Accor since February 2009. She deposed as to her ongoing observations of confusion amongst guests:

12. When I work on the front desk at the Cairns Harbour Lights hotel, I see many people who book with offsite letting agents, including Cairns Luxury Apartments, arrive at the desk attempting to check in at the Cairns Harbour Lights hotel. Mostly, these guests have no idea that they have not actually booked with the Cairns Harbour Lights hotel and have actually booked with an offsite letting agent.

13. I would say that this occurs at least every shift when I am working on the front desk during the day.

…

15. If I cannot find a booking for people and cannot confirm anything with Cairns Luxury Apartments, I usually explain to them that there is a possibility that they may have booked with an offsite letting agent, and I have rung the offsite agent but no one is available. This is not normally a good start to a guest’s stay. They are sometimes hostile and abusive towards me. It is clear that they are frustrated…

1. It is difficult to precisely identify the reason or reasons for such confusion. One possibility is the misrepresentations alleged by the applicants. Another may well be that the various contexts in which “Harbour Lights” and “Cairns Harbour Lights” are used causes confusion. I will reiterate some of those contexts because they are relevant to my consideration of several of the alleged misrepresentations.
2. The second applicant is called “Cairns Harbour Lights Pty Ltd”. There is at least one other related company whose name incorporates “Cairns Harbour Lights”. CHL’s own website addresses are harbourlights.com.au and cairnsharbourlights.com. CHL is registered as the owner of the trade marks HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS, but I have found that Ms Bradnam was the owner of those trade marks and that Liv is now the owner (see [206] and [478]). The words “Harbour Lights” form part of the name of each of the bodies corporate. The marketing for the sale of lots promoted the complex as “Harbour Lights” and “Cairns Harbour Lights” and the complex has become known by the names. The owners have been encouraged to use “Harbour Lights” in their addresses. Each owner is entitled to lease, rent or let his or her own apartment. It is relevant to note that the applicants do not dispute that the owners of lots and their agents are entitled to use “Harbour Lights” and “Cairns Harbour Lights” to describe the location of the apartments they offer for letting. There are several such agents. Accor is the letting agent for some of the owners, and it operates a hotel business it describes as the “Cairns Harbour Lights hotel”.
3. The fact that guests are booking accommodation in a complex known to all of them as “Harbour Lights” or “Cairns Harbour Lights”, but through different agents, is likely to create some confusion, even in the absence of any misrepresentations. There is likely to be confusion because some guests will not realise that there is more than one letting agent, since no agent, including Accor, will be keen to alert potential guests of the existence of other agents. Some guests may be confused because they have not properly read Liv’s website. I have not found the evidence of confusion among guests helpful in deciding whether the misrepresentations alleged by the applicants have actually misled or deceived guests. However, that is not essential for a finding of contravention of s 18(1) of the ACL.

## Representations by Liv and Ms Patalano

### The first alleged misrepresentation

1. The applicants allege that Liv and Ms Patalano represent that they are the operators of the accommodation facility “Cairns Harbour Lights” and that the representation is false. They allege that Liv and Ms Patalano make this representation by:

(a) using the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au and harbourlightscairns.com to resolve to a website that markets and promotes accommodation;

(b) listing in the WhitePages and YellowPages as “Harbour Lights Luxury Accommodation.

1. The applicants written submissions state:

It is reasonable to conclude that a consumer entering cairnsharbourlights.com.au, harbourlightscairns.com.au or harbourlightscairns.com into their browser is expecting to be taken to the website of the official hotel operator of this name, so that the user can book a hotel room in the Cairns Harbour Lights hotel. A user so entering one of these domain names would not be expecting to be taken to the Cairns Luxury Apartments real estate agents’ website.

1. The applicants rely upon *CSR Ltd v Resource Capital Australia Pty Ltd*. In that case, the respondent, RCA, was a “cyber squatter” which obtained registration of the domain names csrsugar.com and csrsugar.com.au and tried to sell the domain names to CSR Ltd. Hill J held that CSR was a household name and that the use of the initials CSR would immediately remind the user of CSR Ltd. His Honour held at [38]:

In my view the obtaining of the registration of both domain names, “csrsugar.com” and “csrsugar.com.au” implied that the domain name belonged to CSR or, if it was noted that RCA was shown as owner of the names that RCA was in some way connected with CSR. Anyone seeing the domain name would assume, unless he or she made further inquiries and was told the truth, that CSR was the real owner of the domain name and entitled to use it for its purposes on the internet in connection with its sugar businesses. In my view the act of obtaining registration of both domain names constituted conduct that was misleading and deceptive or was likely to mislead and deceive persons and breached s 52 of the *Trade Practices Act 1974* (Cth). It alternatively constituted a representation that CSR and RCA were affiliated.

1. This passage provides some, but limited, support for the applicants’ argument. The facts are significantly different. Unlike CSR, neither CHL nor Cairns Harbour Lights is a household name. Liv is not a cyber squatter, and uses the domain names to operate a business that lets apartments in the Cairns Harbour Lights complex.
2. There was no evidence led about the expectations of ordinary viewers when entering a name with a web browser. However, I accept that an ordinary person entering an address consisting of the name of a distinctive or well known company name or a business name with the addition of the prefix “www” and a suffix such as “.com”, would usually expect to be taken to the official site of the company or business. By “official site”, I mean a site operated by the company or business, or operated with the approval or sponsorship of the business or company; not a site operated by a third party without the authority of the company or business. I also consider that, at least in many instances, when a distinctive product name is entered together with the prefix “www” and a suffix such as “.com”, an ordinary person would usually expect to be taken to the official site of the supplier or distributor.
3. In many cases, however, the consumer will not be surprised to be taken to a site for a different company, business or product, particularly where the name of the company, business or product is not altogether distinctive or well known. I agree with the view of Middleton J in *Vendor Advocacy Australia v Seitanidis* (2013) 103 IPR 1 that:

[C]onsumers see similarities between domain names, but are aware that different entities (not necessarily associated with each other) promote themselves. Such consumers would act accordingly, and be astute to differentiate. It seems to me that with the nature of the modern internet, there is always a potential for inherent ‘confusion’, but internet users are savvy enough to deal with those ‘confusing’ aspects.

That is not to suggest that one entity can appropriate a domain name suggestive of the name or product of another entity without risk of a finding of misleading or deceptive conduct. It must depend on the facts and circumstances of the particular case.

1. I also consider that when a specific domain name is entered into a web browser which incorporates the name of a commercial building, and the name has some degree of distinctiveness, an ordinary consumer would usually expect to be taken to an official site for the building. The domain names cairnsharbourlights.com.au, harbourlightscairns.com.au and harbourlightscairns.com fall within that category. Where only one entity owns the building, it is clear that the official site will be one operated or authorised by that entity. The position is less clear when, as is the present case, there are many owners of the lots comprising the building under a community titles scheme. The position is also complicated by the different company names, business names and other names which use the words “Harbour Lights” and “Cairns Harbour Lights”.
2. When one of the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au or harbourlightscairns.com, is entered into a browser, the viewer’s purpose will usually (perhaps, almost always) be to find accommodation in Cairns. The viewer is likely to be seeking accommodation in the apartment complex which the person understands to be called “Cairns Harbour Lights” or “Harbour Lights Cairns”. I consider that an ordinary person would expect to be directed to an official website for that apartment complex.
3. The first of the allegations is that Liv and Ms Patalano represent that they are the operators of the accommodation facility “Cairns Harbour Lights” by the use of the domain names and listings in the WhitePages and YellowPages.
4. Four points may be made before I consider whether the alleged representation is made and whether it is misleading or deceptive.
5. The first is that the website is Liv’s website, not Ms Patalano’s. The website is, on its face, operated by “Cairns Luxury Apartments”. That is a business name owned by Liv, not Ms Patalano. There are three domain names which resolve to Liv’s website. Ms Bradnam is the registrant for cairnsharbourlights.com.au and harbourlightscairns.com.au. Ms Patalano is the registrant for harbourlightscairns.com. However, I have found, Liv is the owner of each of the domain names, having purchased them, or the right to use them, from Ms Bradnam (see [207], [451] and [478]). There is little evidence as to the role of a registrant in respect of a domain name. It is also unclear whether Ms Patalano is the registrant in her capacity as director of Liv, or in some other capacity. She is the controlling mind behind Liv, but the corporate veil applies. I consider that it is Liv which makes any relevant representations on the website and through the use of the domain names, and that the applicants have not proved that Ms Patalano does so. Accessorial liability is a different question, but is not alleged against Ms Patalano. In light of these findings, I will proceed to consider whether Liv has engaged in the first of the alleged misrepresentations, but will not give further consideration to the allegation that Ms Patalano has done so. I will take the same approach in respect of each of the other alleged misrepresentations.
6. The second point is that I have already found that I am not satisfied that Liv or any of its servants or agents caused the listing for “Harbour Lights Luxury Accommodation” to be placed in the WhitePages or YellowPages (see [438]). Therefore, I reject the applicants’ argument that Liv makes any representation by reason of those listings.
7. The third point is that the idea which seems to underlie a number of the applicants’ allegations is that Accor is the only “official” letting agent for the Cairns Harbour Lights complex. That is not so. Accor is no more than the only on-site accommodation agent appointed by the bodies corporate. Apart from the right to operate on-site and the right to use the registered trade marks as trade marks (which must be understood according to my earlier findings), it has no more rights than another letting agent which represents any of the lot owners.
8. The fourth point is that the applicants seem to base this allegation, and many other of their allegations, on the premise that consumers will be confused between Liv’s business and Accor’s business. As I have indicated earlier, mere confusion, without the consumer being led into error and labouring under some erroneous assumption, is not enough.
9. It is not clear precisely what the applicants’ claim is the meaning of the first representation they allege to have been made. I take their reference to the “operator” of the accommodation facility “Cairns Harbour Lights” to be to a provider of a service facilitating short-term accommodation for guests in the “Cairns Harbour Lights” complex. The applicants may be claiming that Accor is the only operator, or the only official operator, of the accommodation facility “Cairns Harbour Lights” and that Liv makes a misrepresentation by claiming it is an operator, or official operator, of that facility. Alternatively, the allegation may be that Liv and Ms Patalano represent that they are the only operators of the accommodation facility, and that is a misrepresentation because Accor and several real estate agents are also such operators.
10. I accept that by using the domain names to resolve to its website, Liv represents that the website is an official website, in the sense I have described, and that it is an official operator of the accommodation facility in Cairns Harbour Lights complex. I do not accept that Liv represents that it is the only such operator. I do not accept that Accor is the only such operator, or that it is the only official operator. Nor do I accept that Liv’s representation that it is an operator of the accommodation facility in “Cairns Harbour Lights” is otherwise a misrepresentation. I reach those conclusions for the following reasons.
11. There are several providers of short-term rental or letting services in respect of the Harbour Lights complex, namely Accor, Liv and other real estate agents. While I accept that Liv’s use of the domain names represents that its website is an official site for the Cairns Harbour Lights complex, its website can be regarded as an official site. Liv can also be regarded as an official operator. That is because Liv acts as the agent of some of the owners when advertising their apartments on its website and renting or letting their apartments. In that sense, Liv’s website does have the sponsorship or approval of persons entitled to use “Cairns Harbour Lights” as the address of the apartments they own and wish to let. There can be more than one “official website” for the Cairns Harbour Lights complex because each lot owner is entitled to advertise or authorise the advertising of their apartments on a website.
12. In my opinion, Liv’s use of the domain names represents that the viewer will be taken to an official website for the Cairns Harbour Lights complex, but not that there is only one official website. It follows that there is no representation that Liv is the only operator of the Cairns Harbour Lights accommodation facility, or that it is the only official operator. It is also clear that Accor is not the only operator or the only official operator. Therefore, the applicants have not proved the first misrepresentation that they allege.

### The second alleged misrepresentation

1. The second representation alleged by the applicants is that Liv represents that it is associated with, or has sponsorship or approval of, the accommodation facility “Cairns Harbour Lights”. The applicants allege that this representation is made by Liv’s use of the domain names to resolve to a website that markets and promotes accommodation. They also allege that this representation is made by listings in the WhitePages and YellowPages, but that is dealt with by findings I have already made (see [438] and [532]).
2. I accept that by the use of the domain names, Liv represents that it is associated with the Cairns Harbour Lights complex. That representation is true because Liv is the letting agent for a number of owners of apartments in the complex.
3. It is not clear what the applicants mean when they allege that Liv represents that it is has the sponsorship or approval of the accommodation facility “Cairns Harbour Lights”. The applicants may be alleging that Liv represents that it has the sponsorship or approval of *all* the apartment owners in the Cairns Harbour Lights complex. However, no such representation would be discerned by ordinary members of the class merely from the use of the domain names to resolve to Liv’s website. The allegation may be, alternatively, that Liv represents that it has the sponsorship or approval of the bodies corporate for the “Cairns Harbour Lights” complex. However, that is not a representation that is apparent from the mere use of the domain names. I do not accept that Liv represented that it had “sponsorship or approval of, the accommodation facility ‘Cairns Harbour Lights’.”
4. I find that the applicants have not proved the second misrepresentation that they allege.

### The third alleged misrepresentation

1. The applicants allege that by the use of the domain names to resolve to a website that markets and promotes accommodation, Liv represents that it is associated with, or is the agent of, or has sponsorship or approval of, the accommodation facility “Cairns Harbour Lights”, or that potential guests can book a room with this provider from the website cairnsluxuryapartments.com.au. The applicants allege that these representations are untrue.
2. The findings I have made concerning the first and second alleged misrepresentations are sufficient to dispose of the first part of this allegation. That leaves the claim that Liv represents that potential guests can book a room with this provider from the website cairnsluxuryapartments.com.au. It is unclear what the applicants mean by “this provider”. Potential guests can book a room with Liv from its website. If it is alleged that the representation is that potential guests can book a room with an official provider of accommodation for “Cairns Harbour Lights”, the answer is that any such representation is true. There is no single official provider. Liv is an official provider in a sense that it is the agent of some owners of apartments in the Cairns Harbour Lights complex.
3. I find that the applicants have not proved the third misrepresentation that they allege.

### The fourth alleged misrepresentation

1. The applicants allege that by using the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au and harbourlightscairns.com to resolve to its website, Liv represents that it is associated with, is an agent of, or has the sponsorship or approval of, the entity called “Cairns Harbour Lights Pty Ltd”.
2. This is an allegation that seems to rely upon the decision in *CSR v Resource Capital*. The difficulty with accepting the argument is that Cairns Harbour Lights Pty Ltd is not, unlike CSR Ltd, a household name. There is no evidence suggesting that Cairns Harbour Lights Pty Ltd is well known to consumers in the relevant class. There is no evidence that a substantial number of ordinary members of the class would be aware of Cairns Harbour Lights Pty Ltd, let alone expect to be taken to the website of that company when entering the domain names. Neither is there any reason to think that ordinary persons in the class would think that the respondents were representing that they are associated with, or are the agents of, or have the sponsorship or approval of Cairns Harbour Lights Pty Ltd.
3. Part of the difficulty for the applicants is that persons who enter the domain names into a web browser are very likely to be looking for accommodation. The complex has been heavily promoted by the names “Harbour Lights” and “Cairns Harbour Lights”. When people enter domain names, it is likely that they would understand the domain names to refer to the name of the complex. The use of the domain names signifies an association, sponsorship or approval of Liv by at least some lot owners. It does not, however, signal any association, sponsorship or approval by or with the entity Cairns Harbour Lights Pty Ltd.
4. I do not accept that the evidence establishes that people will even be confused as to whether they will be taken to the website of Cairns Harbour Lights Pty Ltd or to a website associated with the Cairns Harbour Lights building. However, any such confusion would not be enough, of itself, to establish misleading or deceptive conduct.
5. I find that the applicants have not proved the fourth misrepresentation that they allege.

### The fifth alleged misrepresentation

1. The applicants allege that by using the domain names to resolve to a website, the respondents represent that they are operating a business called “Cairns Harbour Lights” or “Harbour Lights Cairns”.
2. I have found that Liv is the owner of the trade marks HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS in relation to a number of the Class 36 and Class 43 services. It is entitled to use those names as a badge of origin, to demonstrate an association between its business and the services it provides. It is entitled, in effect, to trade as Harbour Lights and Cairns Harbour Lights. Whether it is entitled to use an unregistered business name is a different question that does not affect the present allegation.
3. The applicants’ allegation is that Liv operates a business called “Cairns Harbour Lights” or “Harbour Lights Cairns”. Liv does make that representation by its use of the domain names. It does operate such a business. I find that the applicants have not proved the fifth misrepresentation they allege.

### The sixth alleged misrepresentation

1. The applicants allege that Liv represents that the Cairns Luxury Apartments’ website is an accommodation website which takes bookings for the Cairns Harbour Lights hotel.
2. The representation is alleged to be made by the following conduct on the part of Liv:

(a) Operating the Cairns Luxury Apartments website such that it uses the terms “Harbour Lights” as webpage titles in the title bar, as a major heading, and as the heading of a tabbed section.

(b) Prominent and consistent use of “Harbour Lights” or similar, on the Cairns Luxury Apartments website.

(c) Little or no use of “Cairns Luxury Apartments” branding on pages of the Cairns Luxury Apartments website.

(d) Heavy and prominent use of photographs of a single property, being the Cairns Harbour Lights hotel, on the Cairns Luxury Apartments website.

(e) Lack of information on that website to indicate that it is a real estate agent’s website, and operating the website in a style that looks like a typical hotel website rather than a typical real estate agent’s website.

(f) Operating the Cairns Luxury Apartments website such that a user searching on Google for the term “Harbour Lights” or “Cairns Harbour Lights” will receive organic search results from Google where the Cairns Luxury Apartments website ranks highly in the search results.

1. There are two parts to the alleged representation. The first is that Liv represents that the Cairns Luxury Apartments’ website is an accommodation website. That representation is certainly made. It is true.
2. The second part of the alleged representation is that Liv represents that its website takes bookings for “the Cairns Harbour Lights hotel”. Several of Accor’s witnesses describe Accor’s business as “the Cairns Harbour Lights hotel”. Thus, the applicants seem to allege that Liv’s website represents that it takes bookings for a hotel operated at the Cairns Harbour Lights complex.
3. Liv advertises holiday and short-term letting of apartments in the Harbour Lights complex on its website. There are references on Liv’s website to “Harbour Lights complex” and to “apartments…located within the Harbour Lights CMS complex”. On the page accessed by the “Facilities” link that I have described earlier, there is the statement that:

These apartments are located in the same complex as but are NOT part of the “Cairns Harbour Lights” Hotel. They do not have access to any of the associated services of the Hotel Section such as; on site reception check in, hotel room service, onsite luggage storage, daily room clean and concierge, however, these services are available.

1. There is no evidence that Liv operates the website “in a style that looks like a typical hotel website rather than a typical real estate agent’s website”. None of the applicants’ complaints about prominent use of the words “Harbour Lights” and photographs of the Harbour Lights complex suggest that the website takes bookings for “the Cairns Harbour Lights hotel”. The term “hotel” is one that Accor uses to describe its business. That is not a term expressly used by Liv on its website to describe its business or the nature of the accommodation that it offers.
2. There are two items on Liv’s website that may assist the applicants. The first is the depiction of a “merit badge” that has within it the words “HotelClub Hotel Awards 2012”. The applicants argue that by the use of this badge, Liv represents to potential guests looking for accommodation that the guest is booking a hotel room. The badge is a small red badge at the bottom of several of the web pages. The writing within the badge is, at least in the printout in evidence, very small and difficult to decipher without close scrutiny. I think it unlikely that a significant number of ordinary viewers would attempt to read the badge so closely as to understand what it says. For those who do, the effect of the words within the badge is likely to be overcome by the disclaimer.
3. The second item that may assist the applicants is the second sentence of the statement on the “Facilities” page set out above. It seems likely that Liv’s intention is to communicate merely that luggage storage, room service, daily room clean and concierge services are available; but the wording is clumsy and representations seem to be made that on-site luggage storage, on-site reception desk and hotel room service are available.
4. However, the second sentence must be read in the context of the first sentence which states that the apartments offered “are NOT part of the ‘Cairns Harbour Lights’ hotel” and the first part of the second sentence which states “They do not have access to any of the associated services of the Hotel Section”. While, the last part of the second sentence is confusing, I think ordinary viewers reading it in context would understand it to mean that check-in, room service, luggage storage, daily room clean and concierge services are available separately from the services provided by the hotel. I consider that ordinary viewers, reading the two sentences together, would not understand a representation to be made that bookings are taken on the website for the Cairns Harbour Lights hotel.
5. I therefore find that the applicants have not proved the sixth misrepresentation that they allege.

### The seventh alleged misrepresentation

1. The applicants allege that Liv represents that the Cairns Luxury Apartments’ business can book accommodation with, or is otherwise associated with, or sponsored or approved by, the Cairns Harbour Lights hotel.
2. The applicants rely upon the same conduct as they rely upon in respect of the sixth alleged misrepresentation. They also rely upon the use of “Harbour Lights Luxury accommodation” in the WhitePages and the YellowPages telephone directory listing.
3. My findings in respect of the first and the sixth alleged misrepresentations are sufficient to dispose of this allegation. Liv’s website expressly states that Cairns Luxury Apartments is not part of or affiliated with any hotels. I am unable to conclude that ordinary members of the class would infer from the website that Cairns Luxury Apartments’ business can book accommodation with, or is otherwise associated with, or sponsored, or approved by, the Cairns Harbour Lights hotel.
4. I find that the applicants have not proved the seventh misrepresentation that they allege.

### The eighth alleged misrepresentation

1. The applicants allege that Liv represents to potential guests looking for accommodation that the guest is booking a hotel room, or is booking a room with an on-site accommodation manager.
2. The applicants allege that these representations are made by the following conduct:

(a) Advertising on Online Travel Agency (OTA) websites where potential guests are expecting to book a hotel room or a room with the onsite accommodation manager.

(b) Advertising on Online Travel Agency (OTA) websites that have “hotel” as part of the OTA name, such as Hotels.com and HotelClub.com.

(c) Using a HotelClub “merit badge” that states: “HotelClub Hotel Awards 2012” on the Cairns Luxury Apartments website.

(d) Including a “disclaimer” on the Cairns Luxury Apartments website that falsely states “onsite luggage storage”, “on-site reception desk” and “hotel room service” are “available”.

(e) Using OTA listings that use the term “hotel” and descriptions of hotel services, for example, listings that state “Hotel size – This hotel has 30 rooms” and “front desk (limited hours)” or “Cairns Luxury Apartments – Harbourlights Complex is a 5 star hotel…”

(f) Using in a disclaimer in an OTA of the words “Late check-in can be arranged because the hotel does not have 24 hr reception.”

(g) Using in a disclaimer in an OTA of the words “Please contact the hotel with your arrival time in order to arrange for a representative to meet you.”

(h) Not disclosing to a potential guest making a booking for a property called “Cairns Luxury Apartments” on an OTA website that they are in fact booking with an offsite real estate agency.

(i) Use of “Harbour Lights Cairns – The Luxury Collection hotel Cairns” as the title of an accommodation listing.

(j) Use of “Harbour Lights Cairns – The Luxury Collection – hotel details and bookings” as a title of an accommodation listing.

(k) Use of “Cairns Hotels – Cairns Harbour Lights” as a title and “Cairns Harbour Lights Hotel Rooms” and “Cairns Harbour Lights Apartments” as subheadings in an accommodation listing.

(l) Not disclosing to potential guests that the Respondents are real estate agents who let out apartments as agents for the apartment owners.

(m) Not disclosing to potential guests that the guest is unable to check-in or check-out onsite.

1. The applicants allege that by advertising on OTA websites, Liv represents to potential guests that the guest is booking a hotel room or a room with an accommodation manager. In their written submissions, the applicants assert that:

It is not usual for a traveller to use the services of a travel agency to rent an apartment (even on a short-term basis) from an offsite real estate agent.

…

When using an OTA website, consumers are expecting to book a hotel room or a room with the onsite accommodation manager.

…

A consumer booking via an OTA would not expect that the OTA was the travel agent for an offsite real estate agent.

1. Mr Mezzatesta deposed that:

In my experience, there are a number of accommodation websites that only list hotels and motels. Some list only hotels, motels and serviced apartments where there is on-site management. Some have specialist categories, such as B&Bs. However for these types of accommodation websites they do not take listings from real estate agents renting out apartments. Examples of websites where the accommodation being provided is being provided by a hotel, motel or other similar on-site operator include:

(a) Expedia.

(b) Wotif.

(c) Hotels.com.

(d) Booking.com.

1. Mr Mezzatesta continued:

In contrast, customers looking to book via real estate agent or off-site letting agent will use another kind of website, designed for that purpose, or a general accommodation website that does not distinguish between on-site and off-site operators. Examples of such websites include:

(a) Realholidays.com.au.

(b) Stayz.com.au.

…

Wotif has separate sections of its website, one for “accommodation” (where Accor lists) and another for “Holiday Rentals” (for owners and off-site real estate agents).

1. Mr Mezzatesta’s evidence as to the practices of OTA websites is given as a result of his extensive experience in the accommodation industry. Very few consumers using OTA websites would have the same level of knowledge. In particular, it has not been shown that a not insignificant number of ordinary consumers in the class would know that some OTAs only list serviced apartments where there is on-site management, or that such websites do not take listing from real estate agents. I do not accept that ordinary consumers would expect that real estate agents or off-site letting agents would only use particular kinds of websites, designed for that purpose, to advertise the apartments they have for letting. I do not accept that it is established that it is unusual for a traveller to use the services of a travel agency to rent an apartment from an off-site real estate agent. The applicants have the onus of proof, but did not lead evidence which establishes the knowledge and behaviour they seek to attribute to ordinary consumers in the class. Accordingly, I do not accept that advertising on OTA websites of itself represents to potential guests looking for accommodation that the guest is booking a hotel room or is booking a room with an on-site accommodation manager.
2. The applicants allege that advertising on OTA websites that have “hotel” as part of the OTA name, such as Hotels.com and HotelClub.com, represents to potential guests that the guest is booking a hotel room or is booking a room with an on-site accommodation manager. I accept that an ordinary consumer going to a website entitled “Hotels.com or HotelClub.com” would expect the website to contain listings for hotels. Having gone to such a website, I think an ordinary consumer would not be surprised that it also lists accommodation other than hotels, such as serviced apartments. The consumer would be unsurprised to find the OTA taking commercial advantage of its reputation by expanding the type of accommodation it lists beyond hotels. However, such a consumer would assume that a listing is for a hotel unless there is some indication to the contrary in the text of the listing.
3. It is necessary to examine each of the listings for Cairns Luxury Apartments placed on OTA websites in order to decide whether Liv makes any representation that the potential guest is booking a hotel room, or is booking a room with an on-site accommodation manager.
4. There are listings for Liv’s apartments on the following OTA websites:

(a) HotelClub.com;

(b) Hotels.com;

(c) Agoda.com;

(d) Booking.com;

(e) Hotwire.com;

(f) Expedia.com.au;

(g) Orbitz.com.

1. Each of Liv’s listings has in common the words “Cairns Luxury Apartments” as a heading, followed by a depiction of five stars. They also have in common an address given as 1 Marlin Parade, Cairns, which is the address of the Harbour Lights complex, rather than Liv’s office address. In each listing, information is given about the accommodation offered, such as size, features, facilities and price, but not in any standard form.
2. The listings, apart from one, contain words in varying forms indicating that check-in is off-site, that there is no on-site reception and that there are other limitations upon the services offered. I will refer to such words as “disclaimers”.

#### HotelClub.com

1. Liv has a listing on the website for HotelClub.com. Ms Thomas’ evidence is that Liv did not place this listing on that website. It was placed there by the operator of Orbitz.com as a result of Liv placing a listing with Orbitz.com. I infer that Liv has the ability to have the HotelClub.com listing entry removed, at least, by withdrawing its Orbitz.com listing.
2. In Liv’s HotelClub.com listing there is the following disclaimer under the heading “General”:

NOTICE: Office hours are 08:00 (8 am) – 21:00 (9 pm). Guests are to contact the Office should they be arriving outside of these times to arrange a representative to meet them with the keys.

The Check-In Lounge is located within the Visitor Information Centre, diagonally across from the Harbourlights complex not inside the complex itself. Open from 8am to 9pm daily. Late check-in can be arranged as the hotel does not have 24hr reception. Please contact the hotel with your arrival time in order to arrange for a representative to meet you. Daily Housekeeping service and airport transfers are available. Fees apply.

1. Mr Swinson deposed that when he conducted a search of the HotelClub.com website for Cairns, a number of listings were generated. Cairns Luxury Apartments was the 13th entry on the second page. He states that he was able to click straight through to a booking confirmation page without viewing the disclaimer or understanding that he was booking with an off-site real estate agent. I understand Mr Swinson to mean that a viewer has the option to click on the listing for Cairns Luxury Apartments which brings up the information described above, or to click on a “Book” link which would take the viewer directly to a page where the accommodation could be booked.
2. I consider that the only people likely to click the “Book” button without first going to the entry for Cairns Luxury Apartments are those who are familiar with the features of the apartments as shown on the website already, perhaps because they are repeat guests or travel agents or because they have previously viewed the entry and now wish to make the booking. In any of those cases, it is likely that the viewer would have previously read the information given in the listing, including the disclaimer.
3. While it is not necessarily misleading or deceptive, of itself, for a provider of serviced apartments without on-site management to advertise with HotelClub.com, ordinary viewers would expect the accommodation listed on such a website to be hotel accommodation unless there is an indication that it is not.
4. There are some factors that suggest to the viewer that Cairns Luxury Apartments is not offering hotel accommodation. The rooms that are offered are described as “apartments”. There are no express representations that the rooms are hotel rooms, or any hotel service being offered. The disclaimer indicates that the check-in lounge is located off-site.
5. However, the website also contains statements which indicate that the accommodation being offered is in a hotel. There is a section containing “Hotel Policies” and guest reviews allow ratings to be given for “Hotel features”. The website also states:

Late check-in can be arranged as the hotel does not have 24hr reception. Please contact the hotel with your arrival time in order to arrange for our representative to meet you.

1. These statements represent that guests are booking a hotel room. They also represent that guests booking with Cairns Luxury Apartments are booking a room with an on-site reception, or, in other words, an on-site accommodation manager, available for part of the day.
2. I have already found that for accommodation to be called a “hotel”, generally the minimum requirements are on-site reception and check-in. Those services were not provided by Liv, and Liv does not claim in this proceeding that it provides hotel services. Therefore, Liv’s representations are misleading or deceptive.
3. Liv claims that there is no ability for it to list on some OTA websites as offering apartment rentals, as opposed to hotel services. Some of these websites require listings to have standard “check boxes” which refer to hotels and which cannot be varied to refer to apartments. Liv attempts to alleviate this problem by adding words which indicate the booking is not for a hotel. It also provides information by way of email or SMS to guests after they have booked to the effect that Liv is not a hotel and does not provide hotel services. However, in many cases, Liv does not have the guest email address or mobile telephone numbers. In any event, such attempts are too late, as the guests have already been subjected to the misleading or deceptive information by the time they have made a booking. Further, while I accept that Liv does not intend to mislead or deceive potential guests, it is the effect of its representations viewed objectively which determines whether its conduct is misleading or deceptive.
4. I find that Liv’s conduct in listing its accommodation on the Orbitz.com website in circumstances where that generates the HotelClub.com listing, and by failing to have its listing on the HotelClub.com website removed, represents that a guest is booking a hotel room and is booking a room with an on-site accommodation manager. That conduct is misleading or deceptive in contravention of s 18(1) of the ACL.

#### Hotels.com

1. The applicants’ next complaint concerns Liv’s listing on the Hotels.com website. Ms Patalano deposes that Liv has not approached Hotels.com to list Cairns Luxury Apartments, but that it takes its content as a “direct feed” from Expedia.com.au.
2. Under the heading “Overview”, there is a subheading “Cairns Luxury Apartments – Harbour Lights complex”. That is followed by a disclaimer:

Check in Lounge is SEPARATE from the onsite reception desk. Located in the Visitor Information Centre, across the road, just 20 meters from the Harborlights Complex. Keys can be collected between 8am – 9pm. Please contact Cairns Luxury Apartments direct after 9 pm check ins.

1. Later on the page there is a heading “Key Facts” with a subheading “Hotel Size”. Under this subheading appear entries saying “This hotel has 30 rooms” and “This hotel is arranged over 12 floors”. There is a heading “In the hotel”. Under that heading are subheadings including “Services”, which include “Front Desk (Limited Hours)”. There are other references to the property being a hotel, such as a link “Hotel Description” and “Guest Reviews” referring to the “Hotel”.
2. These are representations that the accommodation being offered is hotel accommodation, particularly in the context that the operator of the website is called Hotels.com. While the accommodation is earlier described consisting of apartments and there is an indication that there is no on-site reception or check-in available, those factors do not overcome the representations that the accommodation is hotel accommodation. In my opinion, a not insignificant number of persons in the class would understand the entry to represent that the guest is booking a hotel room and is booking a room with an on-site accommodation manager. These representations are untrue and the listing is misleading or deceptive.
3. I find that Liv’s conduct in placing the listing on the Expedia.com.au website when that information is then placed on the Hotels.com website and in failing to have the Hotels.com entry removed (for example, by removing the Expedia.com.au entry) contravenes s 18(1) of the ACL.

#### Agoda.com

1. The applicants next complain about the listing on the website Agoda.com. That listing is headed “Cairns Luxury Apartments – Harbourlights Complex”. While referring to the rooms that are available as “apartments”, it also contains a number of references to a “hotel” in the listing. For example there are reference to “Hotel Area”, “Show Hotel on Map”, guest references referring to the “Harbour Lights hotel” and the heading “Hotel Features” and “Hotel Policies”.
2. In a block of text under the heading “Hotel Description” appear the words:

Cairns Luxury Apartments – Harbourlights Complex is a 5 star hotel located on the Water Front of the Cairns Marlin Marina in the Harbour Lights complex. … Guests can check in at the check in lounge which is located in the Visitor Information Centre, with only 20 meters across the road from the Harbour Lights complex.

1. Later, at the bottom of the last page of the website, under the heading “Important Notice”, appear the words:

Please note that to check in, please proceed to our office, located in the Visitor Information Centre, located just 20 meters across the road from the Harbour Lights Complex crn of Marlin Parade & Esplanade – Keys cannot be collected from the on-site reception desk. Any changes or questions, please contact our office direct – changes cannot be made with the on-site reception. Our office is Opened between 8am – 9pm. Urgent: please call if arriving after hours – to arrange a representative to meet you.

1. The listing on the Agoda.com website expressly and repeatedly represents that the accommodation being offered consists of hotel rooms. The effect of those representations is not overcome by the indications that there is no on-site reception or check-in. While, I accept that, generally speaking, the minimum features of a hotel are on-site reception and check in, the listing seems to represent that this is a hotel with features of a hotel apart from on-site reception and check-in. I find that Liv represents that the potential guests are booking a hotel room. I do not accept that Liv represents that the guest is booking a room with an on-site accommodation manager in view of its indication that the reception is off-site.
2. I find that Liv’s conduct in causing its listing in this form to be placed on the Agoda.com website is misleading or deceptive in contravention of s 18(1) of the ACL.

#### Booking.com

1. The applicants’ next complaint is about Liv’s listing on the Booking.com website. The website has a search facility on the same page as Liv’s listing headed “Search Hotels”. Liv’s listing states:

Cairns Luxury Apartments offer studio as well as 1, 2 and 3-bedroom apartments that are fully self-contained and offer panoramic views of the sea.

1. There are repeated references to the rooms as “apartments”. There are no express references to hotel rooms. Under the heading “Important Information” appears the following:

Please note that these apartments are privately managed apartments, which are located in the same complex as the resort known as Cairns Harbor Lights. Please note they are not part of the managed hotel and resort, and do not have access to the services provided by the managed hotel, such as on-site reception desk, luggage storage and concierge service.

Please note that reception opening hours are 08:00 to 21:00. If you expect to arrive outside reception opening hours, please contact Cairns Luxury Apartments in advance, using the contact details found on the booking confirmation.

Please note that the check-in desk is located at the Visitor Information Centre, which is located directly opposite the Cairns Harbour Lights complex. Guests are welcome to contact the property in advance for further details, using the contact details found on the booking confirmation.

Please note that housekeeping service is only offered on the third day of stays longer than 5 nights or more. You can request daily housekeeping service at an extra charge.

1. The presence of the facility on the website to search for hotel rooms may suggest that Cairns Luxury Apartments’ listing on the Booking.com website is for hotel rooms. The descriptions of the accommodation as apartments and the as express statements in the disclaimer that the apartments are not part of the hotel and that there is no on-site reception or check-in indicate the contrary. Liv’s listing itself contains no suggestion that the rooms are hotel rooms. In these circumstances, I do not think that Liv’s entry on the Booking.com website would be understood by ordinary consumers as representing that potential guests arebooking a hotel room or booking a room with an on-site accommodation manager.

#### Hotwire.com

1. The next listing is with Hotwire.com. The search results bring up the words “Your Hotel Details for…” followed by the dates that were entered when making the search. Under “Facilities” listed are “Express check-in” and “Front desk (limited hours)”. There is no explicit indication that the rooms are not hotel rooms, nor is there any indication that there is no on-site check-in.
2. In my opinion, a not insignificant number of consumers in the relevant class would understand the listing on Hotwire.com to represent that Cairns Luxury Apartments is offering guests hotel rooms with an on-site accommodation manager. Those representations are not true.
3. However, Ms Patalano’s evidence was that she had never heard of Hotwire.com and had not had any contact with the operator of that website. Ms Thomas also gave evidence that she had never had contact with the operator. I accept that evidence. There is no evidence as to how Liv’s services came to be listed on Hotwire.com. It is enough that I find that Liv has not caused the listing to be made on Hotwire.com. It has not engaged in the conduct alleged by the applicants.

#### Expedia .com.au

1. Liv’s listing on the Expedia.com.au website is reached by clicking on an entry that appears under “Hotels in Cairns and the Northern Beaches”. The listing contains a subheading “Hotel Amenities”, which is followed by a disclaimer stating that guests are not able to check in at the on-site reception desk and that the check-in lounge is located off site. There are other references to the property being a “hotel” under “Payment Types” and “Policies”.
2. The repeated references to “hotel” represent that the apartments are part of a hotel. The effect of those representations is not overcome by the indication that there is no on-site reception desk or check-in. In my opinion, a not insignificant number of consumers in the class would understand the entry to represent that the guest is booking a hotel room. The representation is untrue. I do not accept that there is a representation that the guest is booking a room with an on-site accommodation manager.
3. I find that Liv’s conduct in causing the listing to be made on the Expedia.com.au website is misleading or deceptive in contravention of s 18(1) of the ACL.

#### Orbitz.com

1. Liv’s listing on Orbitz.com is almost identical to the listing on HotelClub.com. There are two references on the Orbitz.com website to “the hotel”. These indicate that the guest is booking a hotel room. They also indicate that the guest is booking a room with an on-site reception, or an on-site accommodation manager, available for part of the day.
2. I find that Liv’s conduct in causing the listing in this form to be made on the Orbitz.com website is misleading or deceptive in contravention of s 18(1) of the ACL.

#### Tripadvisor.com

1. It is not clear whether the applicants rely upon a listing on Tripadvisor.com. In any event, the printout of the listing in evidence is indecipherable. I also accept that the listing on Tripadvisor.com is not generated or contributed to by Liv.

### The ninth alleged misrepresentation

1. The applicants allege that Liv represents that Cairns Luxury Apartments provides five star hotel services or the benefit of five star hotel services. The conduct relied upon is:

(a) Using in an OTA listing the words “Cairns Luxury Apartments – Harbourlights Complex is a 5 star hotel…”

(b) Advertising as providing “Five Star” accommodation services on a number of OTA websites, where the other listings of the OTA websites are for hotels.

(c) Not disclosing to potential guests that the five star rating obtained by the Respondents is for an apartment, not a hotel.

1. Liv’s advertisements on the HotelClub.com, Hotels.com, Agoda.com, Orbitz.com, Expedia.com.au, Booking.com and Hotwire.com websites each depict five stars next to “Cairns Luxury Apartments” in the title for the webpage. The applicants do not dispute that the apartments let by Liv have earned a 5 star rating from AAA Tourism. That rating is in relation to self-catering apartments. The applicants’ complaint is that it is misleading or deceptive to place a 5 star rating on an OTA listing which advertises hotel services. The applicants also complain that Liv advertises “studio rooms” which are not self-catering and in relation to which they do not have a 5 star rating.
2. I have already ruled that Liv’s listing on each of the OTA websites set out above, other than Booking.com, is misleading or deceptive because it represents that a guest will be booking a hotel room. I consider that the depiction of 5 stars in the heading for such listings is a representation that the booking is for a room in a 5 star hotel. While Liv has a 5 star rating in respect of its self-catering apartments, it has no 5 star hotel rating. I accept that by the use of the 5 stars, Liv represents that Cairns Luxury Apartments provides at least some 5 star hotel services or the benefits of 5 star hotel services or provides the benefit of at least some 5 star hotel services. Such representations are untrue.
3. I have found that Liv has not created or contributed to the listing on Hotwire.com.
4. Liv’s conduct in including the depiction of 5 stars is misleading or deceptive in its listings on the OTA websites, other than Booking.com and Hotwire.com, is misleading or deceptive. I consider that Liv’s conduct contravenes s 18(1) of the ACL.

### The tenth alleged misrepresentation

1. The applicants allege that Liv represents that guests of Cairns Luxury Apartments can check-in on-site and/or that they can check-in at 1 Marlin Parade, Cairns. This representation is said to be made by the following conduct:

(a) Using the address “1 Marlin Parade” in the address field for OTA listings.

(b) Listing on OTA websites where the other listings are all for onsite operators.

(c) Not disclosing to potential guests that the guest is unable to check-in or check-out onsite.

(d) Using the address of “1 Marlin Parade” in a White Pages telephone listing.

(e) Including a “disclaimer” on the Cairns Luxury Apartments website that falsely states “on-site reception desk” is “available”.

1. It is the case that each of the listings on the OTA websites gives an address of 1 Marlin Parade, Cairns. It is unclear from the listings whether the address that is given is the address of the accommodation offered by Cairns Luxury Apartments, or the address for the office of Cairns Luxury Apartments. The use of that address may cause confusion. However, each of the OTA websites expressly indicate that guests must check-in off-site. While the disclaimer on the Cairns Luxury Apartments’ website does incorrectly indicate that on-site reception is available, I have already indicated that this representation is ameliorated by the sentences that precede it. While the applicants assert that the other listings on the OTA websites are all for on-site operators, I do not think this has been established, and, in any event, I do not accept that ordinary viewers would understand the listings to all be for on-site operators.
2. In these circumstances while I accept that there may be some confusion as to whether guests can check-in at 1 Marlin Parade, Cairns, I do not think that such confusion amounts to a representation that is misleading or deceptive.
3. I find that the applicants have not established the tenth alleged misrepresentation.

### The eleventh alleged misrepresentation

1. The applicants allege that the respondents represent to users of the OTA websites that there is an accommodation property in Cairns called “Cairns Luxury Apartments”. This representation is said to arise from:

(a) Using the term “Cairns Luxury Apartments” or similar in the property name section for an OTA listing.

(b) Using in an OTA listing the words “Cairns Luxury Apartments – Harbourlights Complex is a 5 star hotel…”

1. It is not apparent that there is a “property name section” for an OTA listing. The listings on OTA websites in evidence show that the listing commonly gives the name of the hotel or apartment, but that is not always the case. For example, on the Expedia.com.au website, there is a listing for “Cairns and Northern Beaches Hotels up to 40% off”.
2. In the second aspect of conduct relied upon by the applicants, the words “Cairns Luxury Apartments – Harbourlights Complex is a 5 star hotel” on the Agoda.com website represent that “Cairns Luxury Apartments” is the name of a hotel or part of the name of a hotel.
3. I consider that this representation is misleading or deceptive conduct in the manner alleged by the applicants. I note, however, that I have already found that the same words form part of the conduct relevant to misrepresentation that potential guests are booking a hotel room.

### The twelfth alleged misrepresentation

1. The applicants allege that Liv represents to users of OTA websites that its listing for “Cairns Luxury Apartments” is a listing by an operator of a property of that name.
2. I reject the applicants’ allegation for the same reasons as the previous alleged misrepresentation.

### The thirteenth alleged misrepresentation

1. The applicants allege that Ms Patalano represents that she is associated with, is the agent of, or has the sponsorship or approval of, the entity called “Cairns Harbour Lights Pty Ltd”. This representation is said to be made by her conduct in:

(a) Registering and owning the domain name harbourlightscairns.com.

(b) Allowing the domain name harbourlightscairns.comto resolve to the Cairns Luxury Apartments website located at www.cairnsluxuryapartments.com.au.

1. As to the first aspect of the conduct alleged, the applicants do not specify who the representation is alleged to be made to and how it is communicated. I can only speculate upon what type of people are members of the relevant class and what characteristics are to be attributed to them.
2. Liv is entitled to register, own and use the domain name harbourlightscairns.com. The domain name harbourlightscairns.com is registered in Ms Patalano’s name. It is not clear what role Ms Patalano, as the registrant, has in the use of the domain name, or in what capacity she is the registrant.
3. Even accepting that Ms Patalano allows the domain name to resolve to the Cairns Luxury Apartments’ website, I cannot see that she represents to anyone that she is associated with, is the agent of, or has sponsorship or approval of Cairns Harbour Lights Pty Ltd. As I have said, a person entering harbourlightscairns.com into a browser is very likely to be searching for accommodation in the Cairns Harbour Lights apartment complex. At best for the applicants, Ms Patalano may represent that she is the agent of some of the owners of apartments in that complex and that she has the sponsorship or approval of some of the owners; but I cannot see that she represents that she is the agent of, or has sponsorship or approval of, Cairns Harbour Lights Pty Ltd.
4. I find that the applicants have not proved their thirteenth alleged misrepresentation.

### The fourteenth alleged misrepresentation

1. The applicants allege that Ms Patalano represents that she is associated with, is the agent of, or has the sponsorship or approval of, the hotel with the name “Cairns Harbour Lights”. This is said to occur through registering and owning the domain name harbourlightscairns.com and allowing the domain name to resolve to the Cairns Luxury Apartments’ website.
2. Even leaving aside the other problems I have alluded to, I cannot see that Ms Patalano’s conduct is capable of making the representations alleged. The Cairns Harbour Lights complex does not consist solely of a hotel. Accor operates a hotel business at that complex, but there are also many apartments that do not form part of Accor’s business. The mere registration and use of the domain name harbourlightscairns.com cannot represent that Ms Patalano is the agent of or has the sponsorship or approval of Accor’s hotel business. This contravention of s 18 of the ACL is not established.

### The fifteenth alleged misrepresentation

1. The applicants allege that Ms Bradnam represents that she is associated with, is the agent of, or has the sponsorship or approval of the entity called “Cairns Harbour Lights Pty Ltd”. This representation is alleged to arise through the following conduct:

(a) Registering and owning the domain names cairnsharbourlights.com.au, harbourlightscairns.com.au.

(b) Allowing the domain names cairnsharbourlights.com.auand harbourlightscairns.com.au to resolve to the Cairns Luxury Apartments website located at www.cairnsluxuryapartments.com.au.

1. Ms Bradnam is the registrant for cairnsharbourlights.com.au and harbourlightscairns.com.au. However, as I have already found, she is not the owner of those domain names. They, or the rights to use them, are owned by Liv. They were not transferred to Liv upon the sale because of an oversight. They have not been transferred since Ms Bradnam discovered that the domain names had not been transferred because she obtained legal advice that she should await the outcome of this proceeding. The evidence does not establish that Ms Bradnam has the power to prevent the use of the domain names.
2. For the same reasons I have given in relation to the thirteenth alleged misrepresentation, I find that Ms Bradnam’s conduct does not contravene s 18 of the ACL.

### The sixteenth alleged misrepresentation

1. The applicants alleged that Ms Bradnam represents that she is associated with, is the agent of, or has the sponsorship or approval of the hotel with the name “Cairns Harbour Lights”.
2. For the reasons I have given in relation to the fourteenth alleged misrepresentation, I find that Ms Bradnam’s conduct does not contravene s 18 of the ACL.

## Accessorial liability

1. The applicants seek injunctions against each of the respondents pursuant to s 232(1) of the ACL. The precise basis upon which injunctions are sought against Ms Bradnam has not been made clear, but I understand the applicants to allege that she aided, abetted, counselled or procured Liv to contravene s 18(1), or that she was knowingly concerned in or a party to Liv’s contraventions.
2. In *Yorke v Lucas* (1985) 158 CLR 661, the High Court held that for s 75B of the TPA to apply to a person it must be shown that he or she intentionally aided, abetted, counselled or procured a contravention. The High Court held that to form the necessary intent, the person must have knowledge of the essential matters which make up the contravention, whether or not he or she knows that those matters amount to a contravention. It was also held that before a person can be said to be knowingly concerned in or a party to contravention, the person must be an intentional participant, the necessary intent being based upon knowledge of the essential elements of the contravention.
3. I have found that Liv contravened s 18(1) of the ACL by its conduct in causing listings to be made on the Agoda.com, Orbitz.com and Expedia.com.au websites that are misleading or deceptive and by failing to have its listings on the Hotelclub.com and Hotels.com websites removed. I have rejected the applicants’ allegations that Liv and Ms Patalano otherwise contravened s 18(1).
4. Ms Bradnam is the registrant for the domain names cairnsharbourlights.com.au and harbourlightscairns.com.au. The only possible connection of Ms Bradnam with any contraventions of s 18(1) of the ACL by Liv is through Ms Bradnam continuing to be the registrant. However, the breaches of s 18 that I have found are unrelated to any use of Liv’s domain names.
5. Accordingly, there is no basis for a finding of accessorial liability against Ms Bradnam.

# SUMMARY

1. I have concluded that the cross-claim must succeed because the cross-claimants have proved that, under s 58 of the TMA, CHL is not the owner of the trade marks HARBOUR LIGHTS and CAIRNS HARBOUR LIGHTS in relation to the following services (see [205]):

(a) agency services for the leasing of real estate properties;

(b) apartment letting agency services;

(c) apartment rental services;

(d) rental of apartments;

(e) rental of accommodation;

(f) accommodation letting agency services (holiday apartments);

(g) accommodation reservation services;

(h) booking services for accommodation.

1. I have found that CHL is the owner of the trade marks in relation to the following services (see [205]):

(a) commercial real estate agency services;

(b) accommodation letting agency services (hotel);

(c) hotel accommodation services;

(d) hotel services.

1. I have decided that CAIRNS HARBOUR LIGHTS does not meet the requirements of s 41(2) of the TMA because it is not capable of distinguishing CHL’s and Accor’s services from the services of others (see [252]).
2. I consider that Ms Bradnam infringed CHL’s registered trade mark HARBOUR LIGHTS by her following uses of the trade mark:

(a) in an outdoor advertising sign installed on a park bench, in relation to “commercial real estate agency services” (see [357]-[361]);

(b) in an advertising flyer for sale of apartments, in relation to “commercial real estate agency services” (see [362]-[365]).

1. I have found that Liv infringed CHL’s registered trade mark HARBOUR LIGHTS by its following uses of the trade mark:

(a) in a search result obtained through a Google search, in relation to “commercial real estate agency services” (see [381]-[384]);

(b) on Liv’s website in its form at 30 June 2010, in relation to “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” (see [396]).

1. I have also found that Liv has engaged, and continues to engage, in conduct in contravention of s 18(1) of the ACL by making misleading or deceptive representations in its listings on the following websites:

(a) HotelClub.com;

(b) Hotels.com;

(c) Agoda.com;

(d) Expedia.com.au;

(e) Orbitz.com.

1. I will hear submissions as to the appropriate relief and as to what appears to be the most significant issue in this case, costs.

|  |
| --- |
| I certify that the preceding six hundred and fifty (650) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Rangiah. |

Associate:

Dated: 5 June 2015

# GLOSSARY

| **Term** | **Paragraph**  | **Definition** |
| --- | --- | --- |
| Accor | [11] | Accor Australia & New Zealand Hospitality Pty Ltd |
| ACL | [254] | Australian Consumer Law |
| Applicants | [5] & [11] | Accor Australia & New Zealand Hospitality Pty Ltd and Cairns Harbour Lights Pty Ltd |
| BCCM Act | [218(d)] | *Body Corporate and Community Management Act 1977* (Qld) |
| CHL | [5] | Cairns Harbour Lights Pty Ltd |
| Class 36 services | [9(a)] & [36] | agency services for the leasing of real estate properties; commercial real estate agency services; apartment letting agency; apartment rental services; rental of apartments; rental of accommodation |
| Class 43 services | [9(b)] & [36] | accommodation letting agency services (holiday apartments); accommodation letting agency services (hotel); hotel accommodation services; accommodation reservation services; booking services for accommodation; hotel services |
| CMLMC | [162] | Cairns Harbour Lights Management Company Pty Ltd |
| cross-claimants | [28] | Ms Patalano and Ms Bradnam |
| cross-respondents | [35] | CHL and Accor |
| hotel services | [72] | “accommodation letting agency services (hotel)”, “hotel accommodation services” and “hotel services” |
| leasing, letting and rental services | [66] | agency services for the leasing of real estate properties plus the “rental and letting services” |
| Liv | [19] | Liv Pty Ltd |
| Managed Scheme | [6(b)] | Harbour Lights (Managed Apartments) Community Titles Scheme 36770 |
| Mirvac | [10] | Mirvac Hotels Pty Ltd |
| OTAs | [408] | On-line Travel Agents |
| Register | [1] | Register of Trade Marks |
| Regulations | [9] | *Trade Marks Regulations 1995* (Cth) |
| rental and letting services | [64] | apartment letting agency, apartment rental services, rental of apartments, rental of accommodation, accommodation letting agency services (holiday apartments), accommodation reservation services and booking services for accommodation |
| Residential Scheme | [6(a)] | Harbour Lights Community Titles Scheme 36769 |
| Respondents | [15] & [19] | Liv Pty Ltd, Ivana Patalano and Elise Wyandra Bradnam |
| TMA | [28] | *Trade Marks Act 1995* (Cth) |
| TPA | [254] | *Trade Practices Act 1974* (Cth) |