

CANTARELLA BROS PTY LTD v MODENA TRADING PTY LTD (S67/2014)

Court appealed from: Full Court of the Federal Court of Australia
[2013] FCAFC 110

Date of judgment: 30 September 2013

Date of grant of special leave: 14 March 2014

The Appellant (“Cantarella”) produces coffee from beans which it imports. It promotes and sells its coffees using various trade marks (which include “Vittoria”). In 2000 it successfully obtained registration of a trade mark over “Oro” and in 2001 it did the same for “Cinque Stelle”. Those words mean, respectively, “Gold” and “Five Stars” in Italian. Cantarella widely promoted its Oro branded coffee, which was sold in supermarkets. Its Cinque Stelle coffee was served in many restaurants and by Qantas.

The Respondent (“Modena”) imports and markets coffee supplied by an Italian company, Caffè Molinari SpA (“Molinari”). Molinari’s coffees include blends named “Oro” and “Cinque Stelle”, which are sold in Italy and are exported to many countries. Those coffees have been imported into Australia since 1996 and 1998 respectively. Many other producers and importers of coffee also use the word “Oro” in their brands in Australia.

Cantarella sued Modena for infringement of its registered trade marks. Modena cross-claimed, seeking the cancellation of each trade mark’s registration. On 25 February 2013 Justice Emmett dismissed the cross-claim and declared that Modena had infringed Cantarella’s trade marks. His Honour held that the words “Oro” and “Cinque Stelle” had been duly registered, as they were sufficiently distinctive. This was because only a small minority of people in Australia would understand the meaning of the words and thus the allusions to quality made by them.

On 30 September 2013 the Full Court of the Federal Court (Mansfield, Jacobson & Gilmour JJ) unanimously allowed Modena’s appeal. Their Honours held that Justice Emmett had erred when applying s 41(3) of the *Trade Marks Act* 1995 (Cth) (“the Act”) by focusing on the knowledge of the general population. The focus ought to have been on the knowledge of traders in coffee. Their Honours found that Italian was so commonly used in relation to coffee in Australia that traders other than Cantarella would readily understand, and indeed had long used, the words “Oro” and “Cinque Stelle” to signify quality of goods. The Full Court then ordered that the registration of the trade marks of those words be cancelled.

The grounds of appeal include:

- The Full Court erred in finding that neither the sign “Oro” nor the sign “Cinque Stelle” was to any extent inherently adapted to distinguish the designated goods of Cantarella from the goods of other persons within the meaning of sub-section 41(3) of the Act.