

Trade Marks Legislation Review

Legislation Issues

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Part 1 - Preliminary

1. Readers Guide

Issue:

Update the Reader's Guide because additional terms have been included in section 6 since commencement of the *Trade Marks Act 1995* (the Act).

Discussion:

The Reader's Guide aims to give readers of the Act a general idea of the purpose of the Act and some information about its structure. It also explains briefly how the operation and interpretation of the Act is affected by other Acts.

Upon investigation it was determined that the Reader's Guide was missing a number of terms defined in section 6. The following terms, 'registered trade mark attorney' and 'working day', are now included in section 6 but are not listed in the Reader's Guide.

Recommendation:

Add 'registered trade mark attorney' and 'working day' into the list of defined terms in the Reader's Guide.

The Reader's Guide will also be updated to include any new definitions added to section 6 of the Act as a result of this Review.

Part 2 - Interpretation

2. Section 6 - Definitions

Issue 1:

In view of the amendments to the Act since commencement the definitions in the Act and Regulations have been reviewed.

Discussion:

A review of section 6 of the *Trade Marks Act 1995* for consistency and accuracy of the definitions has been undertaken as there have been various amendments to the legislation since its commencement.

The following issues were identified:

- The *Trade Marks And Other Legislation Amendment Regulations* included a definition of 'month' in regulations 2.1 and 2.2. The inclusion of a similar definition in section 6 of the Act is required because there are some time periods in the Act which use the expression 'month' eg the convention period in section 29.
- Note 4 to subsection 44(2) refers to the regulations providing for an application to be rejected because of 'a protected international trade mark or a trade mark for which there is a request to extend international registration' and Part 17A. A

definition of 'a protected international trade mark' is included in subsection 189A(4). The insertion of a definition in section 6 with a cross reference to section 189A could be useful.

Recommendation:

- Insert the definition of 'month' as in regulation 2.1 into section 6 of the Act and add another provision similar to regulation 2.2.
- Insert the term 'protected international trade mark' into section 6. It should also have a cross reference to subsection 189A(4).

Issue 2:

Class 9 heading includes a reference to "transmission" which means something quite different from the definition of "transmission" in section 6. As the definitions in section 6 apply "unless the contrary indication appears" there could be some confusion.

Discussion:

Schedule 1 does not include a contrary indication. Although it is unlikely that people would apply the current section 6 definition of 'transmission' to Schedule 1, an amendment to the section 6 definition to exclude the reference to 'transmission' in Schedule 1 would clarify the matter.

Recommendation:

Amend the definition in section 6 to exclude the use of 'transmission' in Schedule 1.

3. Section 15 *Definition of originate in relation to wine*

Issue 1:

The meaning of "originate" in the *Trade Marks Act 1995* is unclear. (Leanne Stewart, Legal Counsel, Australian Wine and Brandy Corporation)

Discussion:

"I was at a meeting this morning with an SA lawyer and he raised the meaning of "originate" as an issue with the Trade Marks Act – in that it leaves open whether 100% of grapes must originate from an area v. the 85% required under the blending rules. We are fixing this up in our current review of the AWBC Act. Maybe a simple link to the definition of where wine originates contained in s. 5D of our Act might suffice." Leanne Stewart, Legal Counsel, AWBC

Trade mark legislation

Section 6 *geographical indication*, in relation to goods originating in a particular country or in a region or locality of that country, means a sign recognised in that country as a sign indicating that the goods:

- (a) originated in that country, region or locality; and
- (b) have a quality, reputation or other characteristic attributable to their geographical origin.

originate, in relation to wine, has the meaning given by section 15.

Section 15 Definition of *originate* in relation to wine

For the purposes of this Act:

- (a) a wine is taken to have originated in a foreign country or Australia only if the wine is made within the territory of that country or of Australia, as the case may be; and
- (b) a wine is taken to have originated in a particular region or locality of a foreign country or of Australia only if the wine is made from grapes grown in that region or locality.

Section 61 Trade mark containing or consisting of a false geographical indication

(1) The registration of a trade mark in respect of particular goods (*relevant goods*) may be opposed on the ground that the trade mark contains or consists of a sign that is a geographical indication for goods (*designated goods*) originating in:

- (a) a country, or in a region or locality in a country, other than the country in which the relevant goods originated; or
- (b) a region or locality in the country in which the relevant goods originated other than the region or locality in which the relevant goods originated.

(2) An opposition on a ground referred to in subsection (1) fails if the applicant establishes that:

- (a) the relevant goods originated in the country, region or locality identified by the geographical indication; or
- (b) the sign has ceased to be used as a geographical indication for the designated goods in the country in which the designated goods originated; or
- (c) the applicant, or a predecessor in title of the applicant, used the sign in good faith in respect of the relevant goods, or applied in good faith for the registration of the trade mark in respect of the relevant goods, before:
 - (i) 1 January 1996; or
 - (ii) the day on which the sign was recognised as a geographical indication for the designated goods in their country of origin;whichever is the later; or
- (d) if the registration of the trade mark is being sought in respect of wine or spirits (relevant wine or spirits)—the sign is identical with the name that, on 1 January 1995, was, in the country in which the relevant wine or spirits originated, the customary name of a variety of grapes used in the production of the relevant wine or spirits.

(3) An opposition on a ground referred to in subsection (1) also fails if the applicant establishes that:

- (a) although the sign is a geographical indication for the designated goods, it is also a geographical indication for the relevant goods; and
- (b) the applicant has not used, and does not intend to use, the trade mark in relation to the relevant goods in a way that is likely to deceive or confuse members of the public as to the origin of the relevant goods.

Note 1: For *applicant*, *predecessor in title* and *geographical indication* see section 6.

Note 2: For *originate* (in relation to wine only) see section 15.

The definition of 'geographical indication' in section 6 is in line with TRIPs. The difference between the two definitions is that TRIPs uses 'essentially attributable' whilst section 6 uses 'attributable'.

Recommendation:

We will consider the changes to the AWBC Act when they are further developed as it would be a good idea to have consistency in definitions.

Issue 2:

The wording of paragraph 15(a) may have an unintended consequence.

Discussion:

When the *Trade Marks Act 1995* commenced on 1 January 1996, the definition in section 15 of 'originate' in relation to wine was the same as the then definition in Section 5D of the AWBC Act. Under paragraph 15(a) of the *Trade Marks Act 1995* the definition of originate in relation to wine is: 'a wine is taken to have originated in a foreign country or Australia only if the wine is made within the territory of that country or of Australia, as the case may be'.

It is therefore possible that if grapes are imported into Australia or a foreign country, and made into wine in Australia or that country, the wine could qualify as originating in Australia or that country.

The definition in the AWBC Act has been amended for the purposes of clarification and the words "from grapes grown" were inserted into paragraph 5D(a). Paragraph 5D(a) of the AWBC Act now provides that 'a wine is taken to have originated in a foreign country or Australia only if the wine is made from grapes grown within the territory of that country or of Australia, as the case may be'.

A similar amendment to paragraph 15(a) of the Act is required for the sake of clarity.

Recommendation:

Amend paragraph 15(a) to insert the words 'from grapes grown'.

Part 4 - Application for registration

4. Section 28 - application by joint owners

Issue:

Can an application for registration of a trade mark be filed in the name of the trust rather than in the names of the trustees?

Discussion:

A view has been expressed that there is no legislative requirement for trustees to be nominated as owners of trade marks even though this is the practice outlined in the manual.

A person may apply for a trade mark or a patent, and a person can own either or both of these.

In the Act "person" is defined generally as including a body of persons whether incorporated or not. The Patents Act only uses that definition in respect of who can apply for a patent, but not who can own a patent. Therefore, it seems to me that the patent owner has to have legal personality - individual or corporation.

A trust is a relationship, not a person. The persons involved in a trust are the trustee(s) and beneficiary(ies). The trustee is the legal owner of the property subject to the trust

and holds the property for the benefit of the beneficiaries. A trustee can be a company, which also has legal personality. A trust has no personality and cannot own property.

Neither Act refers to trusts, basically because of what I have said above - the legal person is the trustee. By rights the relationship of trust between trustee and beneficiary is of no legal concern to the Trade Marks Office/Patents Office.

This has been discussed with members of interest groups and it is clear that there are many differing views.

Recommendation:

IP Australia will seek further advice in relation to ownership issues including trusts, partnerships and business names. Your comments are invited on this issue.

5. Regulation 4.2 - Applications - requirements for filing applications

Issue:

The legislation should make it clear that a statement that an application is a divisional application must be made at filing.

Discussion:

Regulation 4.2, unlike regulation 9 of the 1955 Regulations does not explicitly require a statement that an application is a divisional application. It could be open to interpretation that any application which meets the requirements for a divisional application could be treated as such and taken as having the filing date of the initial application. This is unlikely given that regulation 4.7, which relates to publication of details of an application, specifies that the particulars of the initial application must be published where the application is divisional application. In the interests of clarification an amendment to regulation 4.2 to include divisional details is recommended.

Recommendation:

An amendment is recommended to regulation 4.2 to make it clear that divisional applications must include both a statement that the application is a divisional application and details of the initial application.

6. Regulation 4.12 - lapsing periods

Issue:

Extensions of time granted under subsection 224(1) because of office error should not count towards the 'easy' extensions provided under regulation 4.12.

Discussion:

Section 37 and regulation 4.12 deal with the periods after which an application for registration will lapse. When errors or delays occur within IP Australia a free extension is often granted under subsection 224(1). The suggestion has been made that any such extension should not count towards the 15 to 21 month 'easy' extension period referred to in regulation 4.12.

The existing practice places the additional requirements for subsection 224(2) extensions of time on an applicant earlier than envisaged by the legislation. The additional requirements include the need for a declaration for each extension request and the grounds on which such an extension of time may be requested are limited .

Recommendation:

An amendment is recommended to regulation 4.12 so that where an extension of time for acceptance has been granted under subsection 224(1), the amount of the period extended will not count towards the six months referred to in regulation 4.12.

7. Regulation 4.13 - deferment

Issue:

Sub paragraph 4.13(1)(c)(iii) requires an amendment to clarify that it is meant to include applications filed with the court under section 92.

Discussion:

Sub-paragraph 4.13(1)(c)(iii) provides that the Registrar may defer acceptance of a trade mark application where the applicant has filed a non-use action against the cited trade mark. There is some uncertainty as to whether this provision covers the situation where the non use action has been made to the Courts. The uncertainty arises because "file" is defined in section 6 as "to file at the Trade Marks Office".

Recommendation:

Amend paragraph 4.13(1)(c)(iii) to include the situation where an application for removal for non use is filed direct with the court and not with the Registrar. Perhaps the use of the word 'made' would be better.

8. Regulations 14.13 & 14.14

Issue 1:

Deferment should be allowable at any time prior to acceptance or lapsing. It should not be limited to the first 15 months after the first adverse report issues.(IPTA)

Discussion:

IPTA believes that the arbitrary period of fifteen months within which the deferment request must be made to the Registrar should be changed so that a deferment request can be filed at any time during the pendency of an application. IPTA considers that there is no good reason why, as long as an application is pending, a deferment request should not be able to be made subject to the appropriate circumstances existing at the time.

Clients want certainty, which can only come from earlier finalisation rather than allowing indefinite periods. Applicants have 15 months in which to request deferment and/or overcome the citation(s).

Recommendation:

No further action required. Applicants are encouraged to request deferment earlier rather than later during the 15 months after the examiner's first adverse report issues.

Issue 2:

The deferment period should end one month after notification of termination of deferment. (IPTA)

Discussion:

IPTA believes that an additional month is necessary to allow the applicant to finalise the application. The need for an extension to be requested during deferment which is to be actioned after termination of deferment is seen as a cumbersome procedure which is prone to error. IPTA considers that an additional period of one month would allow the applicant to take further action.

The potential need for a deferment is identified in the examiner's first adverse report and applicants are encouraged to request deferment earlier rather than later. Deferment suspends the 15 months allowed to overcome examiner's objections.

There are no government charges for requesting deferment and applicants can still respond to the examiner's report during deferment. There is no need for extra time to be allowed as long as deferment is requested early in the 15 month period.

Recommendation:

No further action.

Issue 3:

Deferment should be automatic whenever a cited trade mark is pending. (IPTA)

Discussion:

This is not practical as deferment is not required or appropriate in all cases. Deferment is possible where:

- the cited trade mark is pending
(until the cited trade mark is registered, refused, rejected, withdrawn or lapses)
- the applicant is trying to justify acceptance under section 44(3) or (4)
(6 months only)
- the applicant has filed an application for removal or cessation because of non use
(until the non use action is completed)
- the cited trade mark is within the period of grace for renewal
(up to 12 months for a national registration or up to 6 months for a Protected International Trade Mark)

If deferment is made automatic when a cited trade mark is pending i.e regulation 4.13(1)(c)(i), an applicant with a citation which is a pending trade mark would be given different treatment than another applicant where the cited trade mark has already been registered.

Recommendation:

No further action.

9. Section 41 - not distinguishing**Issue:**

The intention of subsection 41(6) could be clarified by the inclusion of the words 'not to any extent'.

Discussion:

There is a concern that the meaning of subsection 41(6) is unclear. Subsection 41(5) applies where the trade mark 'is to some extent inherently adapted to distinguish' whilst subsection 41(6) applies where the Registrar 'finds that the trade mark is not inherently adapted to distinguish'.

In order to clarify the meaning of subsection 41(6) it would be useful if both subsections were to refer to 'the extent' of the adaptation to distinguish required.

Recommendation:

Amend subsection 41(6) to include the words 'not to any extent'. Note 1 to subsection 41(6) will also need amending along these lines.

10. Subsection 42(a) Scandalous marks

Issue 1:

Does paragraph 42(a) need to be amended to clarify what constitutes scandalous matter?

Discussion:

The question of what constitutes scandalous matter has been the subject of discussion with applicants and within IP Australia. Where a sector of the community is vilified because of their religion it is very clear that paragraph 42(a) applies. In other cases it may not be so clear.

Under the *Trade Marks Act 1955* subsection 28(c) was applied with a lower threshold than is currently applied to subsection 42(a), although the wording in both cases refers to a trade mark which contains or consists of scandalous matter not being able to be registered.

Recommendation:

Any comments on the need to clarify either the wording or the application of paragraph 42(a) would be welcome.

Issue 2:

IP Australia and its employees should be protected from legal action in relation to publication of trade mark information in hard copy and over the Internet.

Discussion:

Legal advice has been received which suggests that IP Australia and staff may be liable if scandalous or defamatory trade marks are published on the Internet. The legal advice provided recommended:

"That amendments be made to the Trade Marks Act that exempt IP Australia (and its personnel) from liability for all civil and criminal actions in relation to the publication and distribution of patent applications, patents, trade mark applications and trade mark registrations. This would provide blanket coverage, regardless of the

type of liability (eg., defamation, copyright, infringement, distribution of pornography) and in all Australian jurisdictions. "

The legal advice included an example of a possible approach providing such protection to IP Australia. "The Commissioner is not subject to civil or criminal liability in relation to publishing, communicating or distributing any material as authorised by the Act or the Regulations."

Other Australian legislation has been checked; most do not mention this issue but some state "nothing in this Act renders the Crown liable to be prosecuted for an offence". However no legislation could be found that protected the individual department and its employees from prosecution.

Recommendation:

It is recommended that the Act be amended along the lines suggested in the legal advice. "The Registrar is not subject to civil or criminal liability in relation to publishing, communicating or distributing any material as authorised by the Act or the Regulations."

11. Section 42 - (Culturally inappropriate marks)

Issue 1:

Legislation should be developed to provide for the filing of opposition against "culturally inappropriate" trade marks.

Discussion:

'Our Country Our Future' the Report on Australian Indigenous Cultural and Intellectual Property by Terri Janke, Principal Consultant, Michel Frankel & Company, Solicitors suggests that Australia needs to develop legislation to make it easier for indigenous groups to oppose "culturally inappropriate" trade marks. USA and New Zealand both provide for indigenous groups to oppose registration of trade marks where the trade mark is inappropriate use of indigenous words and/or symbols. The IP offices in both countries also have some form of specialised examination for indigenous marks.

Given the number of indigenous groups in Australia all with slightly different words and/or symbols, it would not be possible to provide specialised examination for indigenous marks. However a new ground of opposition could be considered. If a trade mark application was opposed on this basis we would need to seek specialist advice/resource, perhaps from ATSIC.

The intellectual property rights of indigenous people are under active consideration both within Australia by an Inter-Departmental Committee (IDC) and internationally though WIPO. IP Australia staff are members of the IDC on protection of indigenous rights. At this time Australia's position on protection of indigenous rights has not been decided.

Legislative change may need to be considered when the national position has been decided and international work is further developed.

Recommendation:

No further action at this stage, however amendments may be necessary at a later stage.

Issue 2:

The *Trade Marks Act 1995* should be amended to provide that a mark with particular relevance to indigenous people and other ethnic groups should not be registrable. Words and/or devices which have affinity with, or importance to, a particular group of people should be unregistrable as a trade mark, except on the application of members of the group.

Discussion:

There are many different indigenous and ethnic groups in Australia. As a result it would be very difficult to address the needs of all indigenous and ethnic sensibilities when examining a trade mark application.

Furthermore, as explained in the issue above, there is considerable work being undertaken within Australia and internationally.

Recommendation:

No further action at this time. (See discussion and recommendation on previous issue)

12. Section 44 - citations**Issue:**

IP Australia should consider following the European Commission example and not raise section 44 objections.

Discussion:

The practice of the Office of Harmonization of the Internal Market (OHIM) is that each member country undertakes a search for prior trade mark applications or registrations and notifies OHIM of the results. Once a trade mark is accepted, the owners of relevant earlier trade marks are advised of the acceptance and may oppose registration of the later trade mark.

A suggestion has been made that IP Australia could follow the same practice. A search could be undertaken, but citation of any identified conflicting mark would not be raised as a ground of rejection. Once the application had been accepted, IP Australia could advise the owners of the identified conflicting marks (a) that the mark has been accepted and (b) provide information about opposition proceedings without suggesting or advising they might like to oppose the later application.

However, this practice would force earlier applicants and registered owners to take opposition action. It would move costs onto applicants where currently some of these applications would not get through to acceptance and the applicant would not therefore have to face opposition proceedings. The additional costs would be a problem for many applicants, particularly small businesses. Australia has a large private applicant base. Private applicants may be reluctant to oppose and Australia would end up with trade marks on the Register that are more similar than is desirable.

Recommendation:

No further action.

13. Section 45 - Divisional applications

Issue 1:

This section of the Act is very complex and should be simplified.

Discussion:

The complexity appears to arise from the fact that divisional applications can be filed in three situations - for part of the initial trade mark, for the initial mark and some only of the goods and/or services and for the initial mark and goods and/or services that have been deleted from the initial application. Each of these types of divisional applications have different periods. It would appear that there may be justification for simplifying Division 3 of Part 4 of the Act.

Article 7 of the Trademark Law Treaty (TLT) provides that an application may be divided into two or more applications by distributing among the latter the goods and/or services listed in the initial application.

It would appear that Section 48 of the Act may not be consistent with this provision of TLT as the goods and/or services covered by the divisional application are not deleted from the initial application, rather they are duplicated in two applications with the same priority date.

Experience has shown that where a divisional application is filed under section 48, that filing occurs shortly before the initial application lapses.

In the interests of simplicity and compliance with TLT, section 48 should be repealed. It would still be possible to file a divisional applications for part of the mark for goods and/or services covered in the initial application and also for the initial mark for goods and/or services which have been deleted from the initial application.

Recommendation:

Repeal section 48 of the Act.

Issue 2:

The Act should allow a valid divisional application based on an earlier application that was itself a valid divisional application to be accorded the date of the earliest filing.

Discussion:

The intention in drafting the Act was that successive divisional applications should benefit from the priority date of the first initial application where that was appropriate. Prior to a decision of the Registrar on Arista Enterprises Inc. [2000] ATMO 25 (29 March 2000) this was Office practice.

There has been a concern raised that if the previous practice is re-introduced, applicants could take advantage of the divisional provisions in the Act to continue their application for many years to the possible detriment of other people.

This could be dealt with by a change in examination practice such that the 'first' report on any divisional application would continue from the last report on its initial application. The time allowed to overcome grounds for rejection raised on the divisional application would be the same as is allowed for all applications.

Recommendation:

An amendment is recommended to section 50 to make it clear that subsequent divisional applications retain the priority date, where appropriate, of the earliest initial application in the sequence.

Issue 3:

IPTA considers that it should be possible to file an application, which is only partially a divisional application.

Discussion:

In their submission IPTA states that it should be possible to file a divisional application and to include additional goods and/or services which were not part of the initial application. In their view this would be similar to a partial convention claim and would result in two priority dates for the same application.

This would create considerable difficulties for potential applicants and others who were aware of the initial application. Anyone monitoring the initial application would not expect the broadened scope of the mark.

Recommendation:

No further action.

14. Section 49 - divisional applications**Issue 1:**

IPTA considers that section 49 is very unclear. They also query the need to differentiate between the times in which the amendment is made.

Discussion:

IPTA states that while subsection 49(1) clearly defines the concept, the subsequent sub-sections are unclear and appear unnecessary. IPTA has also raised a concern about the period in which a divisional application under section 49 can be filed. " The effect of sub-paragraph 49(2)(b) is that a divisional may be filed, within a small window of opportunity, if the application is amended after acceptance but before advertisement. However, Sub-section 49(4) says that a divisional application can be filed where the amendment takes place after advertisement. The reason for the distinction escapes me, although I understand there may be an issue of consistency in relation to advertisement of an application if it is amended prior to advertisement. However, this does not appear to be the problem addressed by Sub-section 49(3)."

Subsection 49(3) is intended to make it clear that where an application is restricted immediately prior to or after acceptance, the divisional application cannot be filed after the acceptance has been advertised in the *Official Journal*.

The issues in this submission have been carefully considered and there would appear to be little gained by the different sub sections. It is necessary to keep the period, in which the deleted goods and/or services would not be located in a search of the trade marks database, to the shortest possible time in the interests of certainty.

In the interests of simplifying the divisional provisions of the Act, consideration should be given to amending section 49 so that a divisional application can be filed

for any or all of the goods and/or services deleted from the initial application. The relevant period in which such a divisional application may be filed commences on the date of receipt by IP Australia of the request to delete the goods and/or services from the initial application and ends one month after notification of the amendment in accordance with regulation 6.4. The divisional application must be filed whilst the initial application is still pending ie has not been registered, lapsed, withdrawn, refused or rejected.

Recommendation:

An amendment to simplify section 49 is recommended. The amendment would provide for the filing of a divisional application for some or all of the goods and/or services deleted from an initial application. Such an application would have to be filed between the date of receipt by IP Australia of the request to delete the goods and/or services from the initial application and the date one month after notification of the amendment in accordance with regulation 6.4. The divisional application must be filed whilst the initial application is still pending ie has not been registered, lapsed, withdrawn, refused or rejected.

Issue 2:

The period of 1 month for filing a divisional application for goods and/or services deleted from the initial application is totally inadequate. (IPTA)

Discussion:

Section 49 of the Act provides for a divisional application to be filed within the prescribed period, covering any or all of the goods and/or services deleted from an initial application. IPTA considers that a period is not necessary and that a divisional application should be able to be filed at any time after amendment and before registration of the initial application. They submit that opposition to a multi-class application could be partially resolved by dividing out the trade mark in respect of the classes to which no objection has been raised.

The period prescribed in regulation 4.17 commences on the day the deletion was requested and ends one month after notification of the amendment of the relevant. The regulations provide that a divisional application may be filed no later than one month after the relevant goods and/or services have been deleted from the initial application. Experience has shown that the divisional application is generally filed at the same time as the deletion is requested.

The one month time period was included in the legislation so that there is a minimal period between the date the deletion occurs and the date the divisional application is filed. Users of the trade mark system need to be satisfied that the system includes all relevant information. This would not be the case if divisional applications were filed some time after the relevant goods and/or services have been deleted from the initial application and are therefore no longer on the trade mark database.

Recommendation:

No further action.

Issue 3:

IPTA states that consideration should be given to further refining the divisional provisions to enable a divisional application to be filed in respect of goods and/or services at the same time that an amendment application is filed to delete those goods and/or classes from the initial application. This would avoid the difficulty which presently exists that the divisional can only be filed within the one month window of opportunity provided by Regulation 4.17.

Discussion:

This was amended *Trade Marks Amendment Regulations 2002* (No. 1).

Recommendation:

No further action.

Issue 4:

IPTA considers that a divisional application should be able to be filed at any time after amendment and before registration of the initial application. They also suggest that resolution of the divisional provisions could allow an opposition to a multi-class application to be partially resolved by dividing out the trade mark in respect of classes to which no objection has been raised.

Discussion:

The time limits for filing a divisional application apply in the interests of certainty for those searching the Trade Marks database.

It was not possible under the *Trade Marks Act 1955* to file a divisional application after acceptance. During the drafting of the *Trade Marks Act 1995* it was considered that the inclusion of multi-class applications could lead to a situation where opposition related only to some of the goods and/or services in a multi-class application. The purpose behind the inclusion of subsection 49(4) of the Act was to provide for just such a purpose.

Recommendation:

No further action.

Part 5 - Opposition to registration

15. New Ground of opposition

Issue:

A new ground for opposition is needed which addresses the situation where the trade mark was adopted in bad faith.

Discussion:

Where a registered trade mark has had no use in good faith an aggrieved person can apply to the Registrar or to the Courts for the trade mark to be removed from the Register.

There have been several instances where there has been use of the trade mark but it has been obvious that the trade mark was adopted in bad faith. In these cases the Hearing Officers have been unable to do anything.

A new provision could be introduced to provide for a notice of opposition to be filed where the application was not made in good faith or where the mark was not adopted in good faith. This could possibly be Section 59A.

Recommendation:

It is recommended that a new provision be introduced to provide a ground of opposition where the mark was not adopted in good faith/the application was not made in good faith (possibly a new section 59A).

16. Regulation 5.4 and Regulation 17A.30

Issue:

Requests for extensions of time to file notice of opposition should be granted where the Registrar is reasonably satisfied that it is appropriate in the circumstances.

Discussion:

An application for an extension of time to file notice of opposition to a national application can be approved where the Registrar is reasonably satisfied as to the grounds set out in the application. The Registrar must also be satisfied that the applicant for registration is aware of the request and has had an opportunity to comment if he/she desires.

Historically over 90% of applications for an extension of time to file notice of opposition are granted where the extension application is in order and the Registrar is reasonably satisfied that the extension is appropriate. In the public interest, it is not usual for such an extension application to be refused.

Where the Registrar is prepared to grant the extension, the trade mark applicant is given the opportunity to object to the proposed extension. Unless any objection brings new issues to light, the extension is generally granted.

Objections can be costly for trade mark applicants to prepare and if they wish to be heard they face the added cost of a hearing.

The time taken to notify the trade mark applicant of the extension application and the time that applicant has within which to object, together with any time before a hearing and to write a decision can add to the overall period before a notice of opposition is received.

In the interests of lowering costs for trade mark applicants and speeding up decisions regarding applications for an extension of time to file notice of opposition, it is recommended that subregulations 5.4(2) and (3) should be deleted.

An extension of time to file Notice of Opposition to an IRDA is granted where the Registrar is reasonably satisfied as to the grounds set out in the extension of time application. Subregulations 5.4(2) and (3) do not apply.

Recommendation:

Subregulations 5.4(2) and (3) should be deleted.

17. Regulation 5.1 - Time for filing notice of opposition

Issue:

Should extensions of time to file a notice of opposition be allowed?

Discussion:

There is a view that extensions of time must be allowed particularly if the extension of time is requested because of 'circumstances beyond control of' the potential opponent or where there has been an error on the part of IP Australia or the agent.

The grounds for extension of time to file Notice of Opposition should be limited to those situations.

Recommendation:

An amendment is recommended to restrict the grounds on which an extension of time to file Notice of Opposition can be allowed.

18. Regulation 5.7 - Service of evidence

Issue:

Regulations 5.7, 5.10 and 5.12 could be amended so that evidence must be **filed** rather than served in the prescribed period.

Discussion:

The suggestion has been made that regulations 5.7, 5.10 and 5.12 should be amended so that the date of filing the evidence with IP Australia became the crucial date, rather than the date the evidence was served on the other party. The filing date would then become the critical date from which periods for provision of the next 'set' of evidence would be measured. The party filing the evidence could be required to serve a copy of the evidence on the other party within 5 working days of filing it with the Office.

This would lead to some streamlining of opposition processes and more certainty regarding evidence dates. The current practice is for IP Australia to acknowledge receipt of the evidence to both parties and to request the party on whom it was served to advise IP Australia of the date of service.

If that advice is not received from the other party within 21 days an additional notice is sent. There are many occasions where several notices have been sent over a period of time seeking the date of service of the evidence.

If the suggested amendments are made, the current practice would be modified so that one notice would be sent to both parties acknowledging receipt of the evidence on a specific date and advising them that the next round of evidence is due within 3 months from that date UNLESS the party who should have been served with the evidence advises that the evidence was not received by them within 5 days of that date.

Recommendation:

Amendments to regulations 5.7, 5.10 and 5.12 are recommended to provide that evidence must be **filed** rather than served in the prescribed period.

Part 6 - Amendment of application ..and other documents

19. Section 64/65 - amending personal particulars

Issue:

Should IP Australia be able to process changes to personal particulars from a phone call?

Discussion:

Sections 63 and 66 provide that applicants must make requests in writing to amend applications, notices and requests. However there is a view that some amendments which have little or no bearing on the trade mark rights could be made on the basis of a phone request. For example, correction of a typographical error or a street address have been suggested as not needing a written request.

The deletion of the requirement for the request to be made in writing would give the Registrar some discretion in this matter. Strict guidelines would be established after consultation and safeguards would be put into place. For example, if the request involved a change to the ownership of the trade mark or a restriction of the goods and/or services in the application, the request could be taken over the phone but would be sent to the applicant/attorney by email or fax to be confirmed. Alternatively the request could be sent by email or fax to applicant advising of amendment and allowing the applicant/agent 24 hours for comment before the requested amendment is applied.

The draft *Revised Trade Mark Law Treaty* is considering a proposal that '*Form and Means of Transmittal of Communications*] Any Contracting Party may choose the means of transmittal of communications ' .

Recommendation:

Amendment is recommended to subsection 63(1) and section 66 to delete 'in writing' in order to allow phone requests and the Registrar is to have the discretion to amend applications, notices and requests on the basis of a phone request.

20. Subsection 65(2) - amendment to representation

Issue:

It is not clear that subsection 65(2) allows for the deletion of one or more representations from an application for registration of two or more trade marks. The capacity to delete a representation should be available irrespective of the validity of the series claimed.

Discussion:

There is a concern that the Act does not allow for the deletion of one or more of the marks in a series application because the deletion of a representation from a series application would substantially affect the identity of that trade mark at publication and therefore would not be in keeping with subsection 65(2).

Recommendation:

An amendment to section 51 or section 65 is recommended to allow one or more of the marks in a series application to be deleted from the application.

21. Subsection 65(3) - amendment to classification

Issue:

Subsection 65(3) could be reworded for clarification.

Discussion:

Some people have difficulty in determining the difference between mistake of fact and error in the classification. Perhaps this needs to be divided into two subsections. The Working Party's Recommendation for Changes to the Australian Trade Marks Legislation stated that it should be possible to amend:

- the nominated class of goods or services during examination to correct
- factual mistakes
(such as where the goods or services were filed in the wrong class eg 'clothing' in class 20), or
- errors in classification
(such as where the goods or services specified were 'blinds of all kinds' in class 20 - this could be amended to an application for 'blinds' in classes 6, 20, 22 and 24)
- the goods and/or services as long as the amendment does not broaden the scope of the application or registration.

The drafting instructions for the drafting of the 1994/1995 Trade Marks Act requested that legislation provide that the Registrar could allow certain amendments after publication of the application. This included the ability to allow an amendment to:

- the nominated classes of goods and services — if the amendment is for the purpose of correcting a mistake of fact or an error in the classification of the goods or services;
- the goods or services specified in an application — if, as a result of the amendment, the rights given by the registration applied for, as specified immediately before the amendment, would not be extended;

It is clear that the intention in drafting subsection 65(3) was to cover two situations. Firstly, where the applicant had nominated an incorrect class number on the application, an amendment should be allowed to correct the nominated class number. Secondly to cover the situation where the applicant had specified the goods in such a way that it was obvious that the applicant sought protection for all the types of that good and not just those which fall within the nominated class. In this case an amendment can be made under subsection 65(3) to add the other relevant classes to the application but only for the good or service specified in the application. The situation where the applicant or his/her agent has made an error and omitted goods and/or services from the application is clearly not covered by subsection 65(3).

Recommendation:

For the sake of clarity a Note could be added to subsection 65(3) giving an example of the types of amendments acceptable.

22. Subsection 65(4) - amendments to type of registration

Issue:

Should subsection 65(4) be amended to clarify what type of registration can be amended?

Discussion:

The provision gives an example. It is not clear whether it allows any type of registration to be amended to any other type of registration. Can a standard application be changed to a defensive mark?

The Working Party Recommendation 45D was that 'amendment of the part of the Register nominated should be allowed except from Part B to Part A (if both parts are retained)'. When Part A etc was deleted from the provisions of the new legislation - this was modified to allow amendments to and from standard, certification, collective and defensive'. It was not intended to limit amendments between any of these types of registration.

Subsection 65(4) does not cover kinds of signs such as sound or colour.

Recommendation:

No further action.

23. Subsection 65(5) - amendments to goods and/or services

Issue:

The transfer of incorrectly classified goods and services between applications filed on the same day should be permitted.

Discussion:

Occasionally an applicant has filed more than one application for registration of the same trade mark on the same day and some or all of the goods and/or services nominated in one (or more) of those applications do not fall within the classes specified on that application but the relevant classes are specified in the other application. In this case it should be possible to transfer those incorrectly nominated goods and/or services to the other application.

Subsection 65(5) does not readily allow for this, although there is no extension in the rights sought by the applicant regarding that trade mark on the day he filed the applications.

Recommendation:

No further action as this situation will be covered by the proposed amendment to section 66 (see below)

24. Section 66 - Amendments/corrections

Issue:

A provision is needed to allow for the correction of errors on applications.

Discussion:

Section 66 should be amended to include applications for registration. It should make provision for the Registrar to correct a clerical error or an obvious mistake where he/she believes it is reasonable to do so, on such terms as the Registrar believes appropriate. This could involve advertising the proposed correction for opposition purposes. It could also include re-advertisement of acceptance where the application is corrected between acceptance and registration.

This provision would allow some of the errors in applications which currently cannot be corrected because subsection 65(5) does not allow extension of the rights of an application. This is particularly critical where an error is made in the specification for a divisional application or in convention priority details.

Recommendation:

An amendment is recommended to section 66 so that it applies to all applications, notices and requests including applications for registration. It should allow the Registrar to correct a clerical error or obvious mistake upon request or on his/her own initiative, under such terms and conditions he/she considers appropriate.

Part 7 - Registration of trade marks

25. Section 79 - renewal

Issue:

Should the period of grace for renewal be reduced to 6 months?

Discussion:

Renewal is possible within a 12 month period before or after the date of expiry of the registration. However the period of grace for renewal of international trade marks registered under the Madrid Protocol and also for Patents is only six months.

One of the benefits of a shorter period of grace would be that registrations which are not going to be renewed would not delay later filed applications for 12 months.

Recommendation:

Comments are welcome on this issue.

PART 8 - Amendment and cancellation of registration

26. Section 87 - Loss of Exclusive Rights to Use a Trade Mark

Issue:

Subsection 87(1) may be limited in its application because of the wording of subsection 24(1), which requires a change in the level of acceptance of a sign as describing or naming an article after the date of registration.

Discussion:

Bryson J in *Australian Co-operative Foods v Norco* [1999] NSWSC 274 (31 March 1999) stated that "Subsection 24 (1) does not speak in terms of distinctiveness and must be understood and applied according to its own terminology. The Cross-claimant has the burden of proving for each mark that a process happened in which the mark became generally accepted as descriptive, that is to say that there was a change in general acceptance of its function, and also has the burden of proving that this process happened after the date of registration. (The curiosity is that it would seem that if the sign always was descriptive, and that it never became distinctive or even that it was incapable of becoming distinctive, it cannot now be removed). "

The intention of the Working Party's Recommended Changes To The Australian Trade Marks Legislation was that there should be a provision which allows a person aggrieved to apply to the court for rectification of the Register where a trade mark has as at the date of commencement of the rectification action lost its capacity to distinguish because it has become well-known and established as the name or description of an article, substance or service.

Recommendation:

An amendment is recommended to sections 88 and 87 to clarify that it is intended that this provision applies to any trade mark which has lost its capacity to distinguish because it has become well-known and established as the name or description of an article, substance or service.

PART 12 - Infringement of trade marks

27. Section 123 - Parallel importation

Issue:

Customs suggests that an approach is to amend the current section 123 to reflect that goods do not infringe if the trade mark has been applied with the consent of the trade mark owner in the country in which the goods were produced. (Customs submission)

Discussion:

Currently, a trade mark has been infringed if it has been applied without the consent of the owner of the trade mark in Australia. Where a Notice of Objection is in place and Customs locates infringing importations covered by the Notice, the goods must be seized. Where the international owner of a trade mark is also the owner of the trade mark in Australia, it is clear that, in the case of genuine goods, the trade mark owner in Australia has consented to the application of the trade mark. However, when the Australian registered trade mark has been assigned to a separate entity, the relationship between the international owner of the trade mark overseas and the Australian owner is not always apparent and it is difficult to assess if consent (implied or direct) has been given.

Recommendation:

Partly covered by the Priority amendments.

PART 13 - Importation of goods infringing...

28. Section 139 - Abandonment

Issue:

There are currently no provisions allowing Custom to deal with the goods that have been seized where legal action is not initiated and the importer cannot be located. (Customs submission)

Discussion:

Customs recognises the danger that abandonment provisions could provide a disincentive for trade mark owners to commence proceedings “in absentia”, in situations where they are unable to locate the designated owner. Where the designated owner re-appears after the expiration of the action period but before the goods are deemed abandoned, Customs would be required to release the goods.

Recommendation:

This is covered in the *Intellectual Property Laws Amendment Bill 2003*.

29. Section 141 - Security

Issue:

Customs notes that many potential clients are discouraged from or balk at providing Customs with the security (currently \$10,000) as required as part of the Notice of Objection. (Customs submission)

This situation could be improved by removing the requirement for a security and replacing it with a head of power enabling Customs to recover costs associated with taking action.

- The head of power could provide the power to recover costs generally, or “as prescribed” if it was felt that the former option was too broad.
- A provision will also be required to allow Customs to not seize goods if recovery of costs is overdue.

This approach does not appear to be inconsistent with the TRIPS Agreement.

Discussion:

The provision of this security provides considerable administrative difficulties for the Customs department in the case of cash and for the owner who if supplying documentary securities can only use a financial institution with a physical presence in Australia.

Recommendation:

Agree with ACS request but need to have discussion with them regarding how to achieve it.

30. Export Border Measures

Issue:

Inclusion of export border measures into the Trade Marks Act. (Customs submission)

Discussion:

Customs administers the Commerce (Trade Descriptions) Act 1905 (CTD Act) and the Commerce (Imports) Regulations 1940. This legislation prohibits the import or export of goods bearing false trade description. Counterfeit trade marked goods meet the definition of goods bearing a false trade description. This creates an overlap between the CTD Act and the Trade Marks Act.

The CTD has been subject to review under the National Competition Policy. Among the recommendations is that the CTD Act be amended to remove the overlap between these legislation. If accepted, this recommendation will mean that Customs will have no power to deal with the export of counterfeit goods. Should such action be required to meet the obligations of international agreements, or as a result of Government policy, Customs would support the inclusion of export border measures in the Trade Marks Act.

Recommendation:

Government response being prepared. Await finalisation of that response.

PART 17A - Protection of international trade marks

31. Regulation 17A.39 - (destruction of documents)

Issue:

Regulation 21.32 provides for the destruction of documents after registration of a trade mark has ended. There is no similar provision which allows for the destruction of documents relating to an international registration that had designated Australia but extension of protection in Australia has ceased.

Discussion:

Regulation 21.32 provides for the destruction of documents, other than the Register and documents of legal or historical interest, relating to trade marks the registration of which ceased not less than 25 years before the date of the order.

Currently there is no disposal authority specified in the trade mark legislation for protected international trade marks.

Regulation 17A.39(1) could be amended to include regulation 21.32. The insertion of a new paragraph and a reference to 'registration of which ceased' is taken to be a reference to 'the extension of protection of which ceased' or words to similar effect may be needed in subregulation 17A.39(2).

Recommendation:

Amend subregulation 17A.39(1) to include a reference to regulation 21.32.

Amend subregulation 17A.39(2) to include a reference to the ceasing of extension of protection in Australia.

32. Regulation 17A.50 - Address for service and extension of time

Issue:

Subregulation 17A.50(5) provides that an Australian address for service must be supplied at the same time as the Rules for a certification trade mark. Is an extension allowable? If not should it be listed in reg 21.28?

Discussion:

It is imperative that the ACCC have an Australian address for service for certification trade marks. The Rules are sent to the ACCC when the IRDA is otherwise in order for acceptance from a registrability perspective. Where an IRDA cannot be accepted, whether because the Rules have not been supplied or there are other grounds of rejection, a provisional refusal is issued which advises that any response must come with an Australian address for service. The International Bureau (IB) advises international applicants for certification, collective or guarantee marks not to file the rules with the IB but to forward them to each designated country. It is therefore possible that the Rules may reach IP Australia before the IRDA is examined. In this case IP Australia is not in a position to insist on an Australian address for service to accompany the Rules as the treaty does not allow a country to insist on a local address for service unless that country has issued a provisional refusal.

As long as IP Australia is notified of an Australian address for service when any response to a provisional refusal is received, or with the Rules, extra time could be allowed. However we would not want to delay the sending of the rules to the ACCC and they must have an Australian address for service at that stage.

Recommendation:

Subregulation 17A.50(5) should not be included under regulation 21.28.

33. Regulation 17A.33 - Opposition proceedings

Issue 1:

Subregulation 17A.33(3) provides that a requirement to serve a copy of a document on the holder or to give the holder an opportunity to make written representations or to be heard *does not* apply unless the holder has notified the Registrar in writing of an address for service in Australia within 3 months of the date on which the notice of opposition was filed.

Discussion:

This provision was included in the legislation so that there would not be a requirement on opponents to serve evidence or documents overseas. Overseas service can take considerable time

Recommendation:

No further action required

Issue 2: (serving of opposition documents)

If they already have an address for service in Australia does the opponent have to serve a copy of the notice of opposition to owner? They only need to file with us. Legislation should be changed so that if the applicant has an Australian address for service notice should be served to that address. Or should we change the way we treat national applications, so that practices for International and national Registrations can be brought in line.

Discussion:

International applications are only treated differently due to the requirements of Madrid protocol. No need to change the way we treat National applications because IRs couldn't comply with our practices.

Recommendation:

No further action required

PART 21 - Miscellaneous

34. Regulation 21.2 Filing of documents - requirements as to form.

Issue:

Applications, Notices and Requests Not in Writing - Regulations amendments to allow the Office to process customers' applications, notices and requests over the telephone.

Discussion:

Regulation 21.2 deals with the filing of documents. Subregulation 21.2(3) provides that documents may be filed by electronic means. Clearly 'electronic means' covers emails and facsimiles. However it does not provide for applications, notices or requests to be made over the phone. The *Electronic Transactions Act 1999* defines '*electronic communication*' as:

- (a) a communication of information in the form of data, text or images by means of guided and/or unguided electromagnetic energy; or (b) a communication of information in the form of speech by means of guided and/or unguided electromagnetic energy, where the speech is processed at its destination by an automated voice recognition system.

This definition appears to exclude taking applications, notices or requests over the phone or recording that conversation and having it classified as an electronic communication.

It is intended that there should be a mechanism to allow applications, notices or requests to be filed by phone. Strict guidelines would be developed to establish which applications, notices or requests could be filed by phone without written verification from the person concerned.

Recommendation:

Amend Regulation 21.2 to include a provision which allows for filing by telephone. (see also proposed recommendations to section 63 and section 66)

35. Section 226 - Official Journal

Issue:

The Registrar should not have to make the *Official Journal* available for purchase.

Discussion:

Under subsection 226(2) it is mandatory for the Registrar to make the *Official Journal* available for sale. In this electronic age, it is more efficient (and possibly cheaper) for the *Official Journal* to be made available electronically such as on the IP Australia web site. It is also more readily available via the Internet. There is no longer any need for a mandatory provision.

Recommendation:

Subsection 226(2) should be deleted.

36. Regulation 21.12 and Schedule 8 - Hearings costs

Issue:

Videoconference and Phone Hearing Costs - . Schedule 8, part 2, Division1, item 2(a) of the present scale does not cover the fees charged by a video conferencing venue or by the phone company for a phone hearing.

Discussion:

Currently there is no discretion to award costs in relation to video conferencing or telephone costs for hearings. This issue arises from time to time in relation to phone hearings. Although the cost of the phone call is not a large amount, the cost should be covered by Schedule 8. A person flying to Canberra, or any other city, for a hearing can claim the cost of the flight. However the person who has a phone or video hearing cannot claim those fees. There has been a low uptake of video hearings and the cost, with no reimbursement, may be part of the reason.

Recommendation:

Amend Schedule 8 to include a reference to costs of the phone call for a phone hearing and the video conference centre costs/hire for a video conference hearing.