

TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by The Crown in Right of the Commonwealth of Australia to registration of trade mark application 1111420(45) - **auscheck** - filed in the name of Grant Stafford.

DELEGATE:	Heath Wilson
REPRESENTATION:	Opponent: Angela Bowne of Counsel, instructed by Rachel Chua, Solicitor of Australian Government Solicitor Applicant: Self-represented
DECISION:	S 52 opposition - Grounds under s 42 (b), 43, 58, 59 & 60. Prior use established under section 58; trade mark refused registration. Costs awarded against the applicant 2009 ATMO 24

Background

1. Grant Stafford (“the applicant”) applied on the 5 May 2006, to register the following trade mark:

Application number:	1111420
Trade mark:	auscheck
Applicant:	Grant Stafford
Services:	Class 45: Identity theft and fraud prevention services; identity verification

2. The mark was advertised as accepted for possible registration in the *Australian Official Journal of Trade Marks* on 7 September 2006. On 7th December 2006, The Crown in Right of the Commonwealth of Australia (“the opponent”) filed a notice of opposition (“the Notice”) under section 52 of the *Trade Marks Act 1995* (“the Act”), to registration of the applicant’s trade mark.
3. The parties have filed and served evidence as set out below:

Evidence in Support

- Statutory declaration of Frances Helen Brown made 6 September 2007 with annexures “FHB 1- 26”.
- Statutory declaration of John Langford made 31 August 2007.
- Statutory declaration of Craig Neal made 3 September 2007.

- Statutory declaration of Greg Moore made 28 August 2007.

Evidence in Answer

- Statutory declaration of Grant Stafford made 1 March 2008 with annexures “GS 1-3”.

Evidence in Reply

- Statutory declaration of Frances Helen Brown made 10 June 2008 with exhibits “FHB 1 – 9.”

Further Evidence

- Statutory declaration of Grant Stafford made 3 September 2008.

Grounds of Opposition

4. The Notice cites grounds of opposition under sections 39, 41, 42(b), 43, 44, 58, 59, 60, 61 of the Act, and Regulation 4.15A of the *Trade Mark Regulations 1995*. However, the opponent only pressed the grounds under sections 42 (b), 43, 58, 59 and 60 at the hearing. For the sake of completeness, I mention that I find the remaining grounds have not been established.
5. To succeed, the opponent bears the onus of establishing a ground of opposition cited in the grounds of opposition on the balance of probabilities (see *Blount v Registrar of Trade Marks* (1998) 83 FCR 50; *Registrar of Trade Marks v Woolworths Limited* (1999) 45 IPR 411).
6. The matter was heard before me as delegate of the Registrar of Trade Marks on 3 February 2009 in Canberra. Angela Bowne of Counsel, instructed by Rachel Chua, Solicitor of Australian Government Solicitor, appeared for the opponent. The self-represented applicant attended via telephone conference.
7. As the determination of the ground under section 42(b) of the Act is dependent on a consideration of the reputation in the opponent’s mark, I will deal with that ground after the discussion of the opponent’s reputation under the section 60 ground of opposition.

Section 43:

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.

8. The opponent has submitted that there is an inherent connotation of association with, or endorsement by the Australian government within the opposed trade mark. To establish a ground under section 43 of the Act, there must be an inherent connotation within the trade mark as set out in the comments of Gyles J in *Pfizer Products Inc v Karam* (2006) 70 IPR 599 (following *Big Country Developments Pty Ltd v TGI Friday's Inc* (2000) 48 IPR 513) (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 s43 is a similar purpose to that lying behind ss52, 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 some similarity with other marks.

9. Whether or not a mark connotes the sponsorship or approval of an entity or institution will depend on the surrounding circumstances. “In each case, it will be a question of fact and degree” (see *McCorquodale v Masterton* (2004) 63 IPR 582 [at 53]). In addition, French J in *Registrar of Trade Marks v Woolworths* (1999) AIPC 91-499 at 39,695 said:

“The probability of deception or confusion must be finite and non-trivial. There must be a ‘real tangible danger of it occurring.’”

10. While the mark does contain the prefix “AUS”, along with the other marks owned by the Australian Government, “AusAid”, “AusTender” and “AusStudy”, (referred to in the opponent’s evidence and submissions) the connotation is insufficiently direct. Even were the evidence before me to indicate the Australian government’s “family of aus-marks” enjoyed this kind of notoriety as at 5 May 2006, I would reject this submission. Although Gyles J in *Pfizer* did acknowledge, “*An implication of sponsorship or association might qualify as such a secondary meaning or connotation*”, that is really beside the point here. It remains the case that *whatever* connotation the opponent alleges is carried by the prefix “aus” in the opposed trade

mark, it is only carried because of its alleged resemblance to other trade marks (*Big Country Developments Pty Ltd v TGI Friday's Inc* (2000) 100 FCR 358 at 365; 48 IPR 513 at 521 (Full FC)). In this regard, the position is entirely distinguishable from the case of *McCorquodale v Masterton*, referred to in the opponent's submissions.

11. In this matter, I am not satisfied that the prefix "AUS" connotes an association with the Australian Government solely due to the opponent's other marks beginning with "Aus". I find that the danger of confusion is minimal, because the connotation is non-existent.
12. The opposition ground based in section 43 of the Act is therefore not established.

Section 58:

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

13. The opponent must establish use of a trade mark the same as, or "substantially identical" to the opposed trade mark (*Carnival Cruise Lines v Sitmar Cruises Ltd* (1994) 31 IPR 375) in Australia before the priority date of the opposed application (5 May 2006) for services the same as, or the "same kind of thing" as, the services of the opposed application (*Re Hicks' Trade Mark* (1897) 22 VLR 636). The applicant has not provided any evidence of earlier use than the priority date of 5 May 2006 of the mark "auscheck" and as a result, the opponent must establish use before this date.
14. The opponent's mark is "AUSCHECK" for services including data validation and identity verification, particularly for the aviation and maritime industries. As both marks consist of the term "auscheck", I am in no doubt, on a side-by-side comparison of the opponent's and the applicant's mark, that a "total impression of similarity (emerges) from a comparison between the two marks" (*Carnival Cruise Lines v Sitmar Cruises Ltd*).

Actual Use by the opponent

15. The opponent's evidence contained in the statutory declaration of Francis Helen Brown ("FHB") indicates use of "AUSCHECK" in relation to "data matching and data verification software." The University of Sydney handbooks and Centrelink Student Collection (exhibits FHB-1) indicate a use of the mark in the marketplace as

software to “validate data.” The applicant submits that these are different goods/services from those covered by the applicant’s mark, and the opponent has abandoned their ownership of “AUSCHECK” prior to the filing date of his application, as it is now used by a different branch of the government.

16. As stated above, for the opposition to succeed, the goods/services of the respective marks must be the same kind of thing. The comparison is between "data verification/validation software," shown in the evidence to have been provided to Universities by the opponent under the “AUSCHECK” trade mark, and the applicant’s services. Identity verification is clearly encompassed in, and similar to, data verification whether or not the aim of those goods/services is in relation to fraud prevention. I am satisfied that these services are the “same kind of thing.”
17. In relation to the submission that the opponent has abandoned its “AUSCHECK” mark, I am not convinced by the applicant’s arguments. Even if there was a gap when the “AUSCHECK” mark was not in use in relation to the services, abandonment is not inferred from mere non-use (*Riv-Oland Marble Co (Vic) Pty Ltd v Settef SpA* (1988) 19 FCR 569 at 572; 12 IPR 321 at 324 per Bowen CJ (Full FC)). In this case, the ownership still resides with the opponent, the Crown in Right of the Commonwealth of Australia; although it is clear that DETYA (Department of Education, Training and Youth Affairs) and Centrelink were ceasing to use the mark before the preparations began for the new “auscheck” division of the opponent. There is nothing put forward in evidence by the applicant to indicate an intention on the part of the opponent to abandon the trade mark “AUSCHECK.”

Preparations for Use by the opponent

18. Preparatory steps demonstrating sufficient intention to use the trade mark constituted prior use in the case of *Buying Systems (Aust) Pty Ltd v Studio SrL* (1995) 30 IPR 517. The opponent must establish that it had, at the priority date, objectively committed itself to offering or supplying services bearing the trade mark in the course of trade.
19. The evidence of the use or intended use of opponent’s mark before the priority date includes the registration of domain names in March 2006, establishment of the government division, an agenda of an “Aviation Security Advisory Forum” in Brisbane on the 5th and 6th April 2006, and for a Maritime Industry Security

Consultative Forum on 20 April 2006 promoting “AUSCHECK” to members of the industry. In addition, there is a statutory declaration of the Manager of operations and security for Hobart International Airport Pty Ltd (John Langford declaration) having been made aware of the trade mark in or around March 2006 from attending similar forums.

20. The structure of the division and the employees (exhibit FHB-3) under the opponent’s “AUSCHECK” trade mark has been available on the government website since March 2006, but this does not constitute use in a commercial sense of the mark “auscheck” in relation to the relevant services. However, it does constitute preparations for use of the trade mark. The evidence of the “AUSCHECK” website (exhibit FHB-6) states that those web pages were created on Tuesday 11 July 2006. The first statutory declaration of Francis Helen Brown states that the use on the AGD website has been “since approximately 21 March 2006,” but crucially does not state a precise date for this. The applicant’s priority date was over a month later.
21. The remaining evidence supplied by the opponent is dated after 5th May 2006, and is therefore not relevant for the purposes of this ground of opposition.
22. In *Moorgate Tobacco Co Ltd v Phillip Morris Ltd* (1984) 156 CLR 414 at 432, Deane J said:

"The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of ‘proprietor’ of the mark, is public use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods for the purpose of indicating or so as to indicate a connexion in the course of trade between the goods with respect to which the mark is used and that person."

While it is not necessary that there be an actual dealing in goods bearing the trade mark under section 58, there must be an existing intention to offer or supply the relevant goods in trade.

23. The use of the mark by the opponent does equate to preparatory steps coupled with an existing intention to offer or supply goods (or, in this case, offer services) (*Moorgate Tobacco Co Ltd v Phillip Morris Ltd* at 434). This is supported by the domain name registrations linking to the Australian government website, the establishment of the

government division, and the educational forums. Evidence of pre-launch activity and significant market investigations in relation to a trade mark may be enough to establish use in certain circumstances.

24. The use (or preparatory steps for use) must be on, or in relation to, the “same kind of thing” as *identity verification; identity theft and fraud prevention services* (the services of the applicant’s mark). The case law in this area establishes that “same kind of thing” does not mean goods/services of the same description (*Canon Kabushiki Kaisha v Brook* (1996) 69 FCR 401 at 408; 361 IPR 88 at 95 (FC)).
25. I find the evidence establishes that the opponent was intending to use the mark in relation to services of security identification for the aviation and maritime industry. This is clear from the combined evidence of media releases describing the opponent’s upcoming services, industry forums featuring the trade mark, and the establishment of the division (and website) incorporating the “AUSCHECK” trade mark. I am satisfied that the use evidenced by the opponent is more than preliminary discussions and negotiations, and establishes a “fixed and existing intention to use the mark...” (*Sizzler Restaurants International v Sabra International Pty Ltd* (1990) 20 IPR 331,339 (Hearing Officer Hardie)) in Australia, before the priority date. There is a clear intention to supply identity verification services, combined with the preparatory steps required. Together, this constitutes use.
26. In summary, I am satisfied that the steps taken to promote the trade mark amount to use of the mark, for services I consider to be the “same kind of thing” as the services of the opposed application, and in any event, there is prior use of the trade mark for relevant services by the opponent. Therefore, on the evidence provided, I am satisfied that the opponent has established ownership of the mark in question before the priority date of the opposed application. Consequently, on the balance of probabilities, the section 58 ground of opposition has been established.

Section 59:

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

- (a) to use, or authorise the use of, the trade mark in Australia; or*
- (b) to assign the trade mark to a body corporate for use by the body corporate in Australia;*

in relation to the goods and/or services specified in the application.

Note: For applicant see section 6.

27. The act of filing an application for a trade mark is prima facie evidence of the requisite intention to use it (see *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391). Consequently, the opponent bears a heavy onus of establishing a prima facie case of lack of intention to use under section 59. Subsequent decisions indicate this prima facie presumption may be rebutted where the evidence readily gives rise to the drawing of an adverse inference and that evidence remains unchallenged and unrebutted by the applicant¹. The onus does not however shift to an applicant merely because an opponent *questions* the applicant's intention in its Notice of Opposition or submissions².
28. The opponent argued that the applicant, at all times, had no intention to use the mark. This issue has been a common argument in the evidence and submissions of the opponent. In addition, it is also worth noting that the applicant was legally represented at the evidence stages of the current proceedings. Accordingly, I am satisfied that the applicant was put on notice that this was to be one of the grounds pressed by the opponent.
29. The response from the applicant was that he does have an intention to use the mark to "promote and market my invention in due course" (first Stafford declaration). While the applicant has not provided any further evidence of intention to use, mere non-use is not, by itself, evidence of a lack of intention to use (see *Aston v Harlee*). There is nothing in the applicant's activities to indicate the absence of an intention to use "AUSCHECK" in relation to relevant services. The private investigations attested to in the second Frances Helen Brown declaration only indicate that the mark is not currently being used, not that the applicant has no intention to use the mark.
30. The evidence (FHB-3 of the second declaration) of the WIPO proceedings involving the applicant, relating to the applicant's previous unrelated Internet domain name, does not carry any weight in this opposition. The opponent attempts to create an

¹ See for example *Phillip Morris Products SA v Sean Ngu* [2002] ATMO 96; *Sapient Australia Pty Ltd and Sapient Corporation v SAP Aktiengesellschaft* (2002) 55 IPR 638; *Danjaq, LLC v Resource Capital Australia Pty Ltd* (2004) 61 IPR 651

² See for example *Medley Distilling Company v Croakers Gully Australia* (2000) 53 IPR 430; *Wal-Mart Stores Inc v Ozark-London Ltd* (2004) 62 IPR 165

inference that goes to whether there was an intent to use the mark in good faith for this application, however, the outcome of those proceedings is not relevant to this trade mark. It is a further step to suggest that this outcome equates to an absence of intention to use. Overall, I am not convinced that this evidence has shifted the onus to the applicant, or of its relevance in determining a ground of opposition under the Act.

31. The issue is whether an inference can be drawn, such that the onus reverts to the applicant to establish the requisite intention to use the mark. This was considered by Hearing Officer Thompson in *Danjaq LLC v Resource Capital Australia Pty Ltd* (2004) 61 IPR 651 where it was established that inferences can be drawn to include a lack of intention to use. However, a lack of intention to use is not inferred merely because of non-use (*Aston v Harlee*). The fact that the applicant is currently using “IDCHECK” as a trade mark in relation to similar services, does not create an inference that he has no intention to use the opposed mark.
32. It is clear that the applicant has not yet used the mark. I note that only “slight evidence” is required to rebut the presumption of intention to use (as stated in *Americana International Ltd v Suyen Corp* (2008) 75 IPR 596 at 36), however, in this case the opponent has only provided evidence that the applicant is not currently using his trade mark.
33. As a result, the inferences made by the opponent do not shift the onus to the applicant in this matter. The ground of opposition under section 59 has not been established.

Section 60 (as at 5 May 2006 was as follows³):

“Trade mark similar to trade mark that has acquired a reputation in Australia”

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

³ See *Apple Computer v TodayTech Group Pty Ltd* [2007] ATMO 40; *Health World Ltd v Shin-Sun Australia Pty Ltd* (2008) 75 IPR 478 (at 112-116).

Note 1: For deceptively similar see section 10.

Note 2: For priority date see section 12.

34. As the filing date of the current application is 5 May 2006, the unamended provisions of section 60 of the Act apply in this instance. As a result, it is a threshold requirement that the opponent's and the applicant's marks be substantially identical or deceptively similar, for a ground of opposition to be successful under this section.
35. It is accepted by the applicant that the applicant's mark is substantially identical to the opponent's trade mark, and I am satisfied that this is correct. The onus is on the opponent to establish a reputation in its mark extant at the priority date, such that the registration of the opposed mark would deceive or cause confusion.
36. While it is true that "later events may cast light upon the true position at an earlier date" (*Conde Nast Publications Pty Ltd v Taylor* (1998) 41 IPR 505 at 509 per Burchett J), the reputation in the trade mark must be shown to have existed at the priority date, being 6 May 2006.
37. In *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302 at 343; 23 IPR 193 at 234, Lockhart J commented that:

"[R]eputation within the jurisdiction may be proved by a variety of means including advertisements on television or radio, or in magazines and newspapers within the forum."
38. The evidence of the usage of the opponent's mark before the priority date includes the registration of domain names in March 2006, use of the mark in University handbooks and the formation of the government divisions' structure in March 2006. The opponent's remaining evidence occurs either on, or after the priority date of the opposed application. The evidence of agendas for industry forums including an "Aviation Security Advisory Forum" in Brisbane on the 5th and 6th April 2006, and a "Maritime Industry Security Consultative Forum" on 20 April 2006 promoting the trade mark "AUSCHECK" to the members of that industry, are also relevant. In addition, there is a statutory declaration of industry members having been made aware of the mark in or around March 2006 (e.g. John Langford declaration). There is minimal actual use of the mark before the priority date, little advertising and no evidence of revenue generated as a direct result of the use of the trade mark itself.

39. I am not satisfied that as at 5 May 2006, the opponent had such a reputation that deception or confusion in the marketplace would be likely. The onus of establishing a reputation in the opponent's mark has not been discharged, and consequently, the ground of opposition under section 60 of the Act is not established.

Section 42 (b):

An application for the registration of a trade mark must be rejected if:

(b) its use would be contrary to law.

40. The criterion for section 42(b) is whether use "would" not "could" be contrary to law (*Advantage Rent-A-Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24 at 32 [28] (FC)). The opponent's submissions rely on the concept of "misleading and deceptive conduct" under section 52 of the *Trade Practices Act 1974*. Under this section, there must be a real possibility of the applicant's conduct being likely to mislead or deceive. The test is more than the conduct merely causing confusion; it must be conduct that directs a person towards the wrong choice.
41. I have already found in connection with the opponent's s.60 ground that at the time of the filing of the application 1111420, the opponent did not have an established reputation in its mark. The applicant's conduct at the time of filing, therefore, could not have been likely to mislead or deceive. A sufficient nexus must exist between the conduct in question, and the misconception or deception of prospective retail purchasers (*Campomar Sociedad, Limitada v Nike International Ltd* (2000) 169 ALR 677).
42. The opponent has not made out its case in terms of the reputation in its mark required for section 60. It follows that the evidence does not meet the higher reputation threshold needed for a finding of misleading or deceptive conduct under section 52 of the *Trade Practices Act*. Therefore, the opponent has not discharged the onus of establishing that the registration of the trade mark "auscheck" would be contrary to law.
43. Consequently, the ground of opposition under section 42(b) of the Act has not been established.

Decision

44. Section 55 of the Act provides:

Decision

55. Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

(a) to refuse to register the trade mark; or

(b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;

having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For limitations see section 6.

45. For an opposition matter to be successful under section 52 of the Act, it is only necessary that one ground of opposition be established on the balance of probabilities. The ground of opposition under section 58 has been established in respect of the services specified in the application. As a result, trade mark application no. 1111420 “auscheck” is refused registration.

Costs

46. As the opposition is successful, the opponent is entitled to costs, which I award against the applicant in accordance with the official scale contained in Schedule 8 of the *Trade Mark Regulations 1995*.

Heath Wilson
Hearing Officer
Trade Marks Hearings
23 March 2009