



TRADE MARKS ACT 1955

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

Re: Opposition by NEWPORT CORK (AUST) PTY LIMITED trading as PORTUGAL CORK (AUST) to an application under section 23 of the Act by PORTUGAL CORK CO PTY LIMITED to remove, on the grounds of non-use, trade mark registration number 326031 for the mark PORTCO from the Register

An application under s.23 of the Act to remove trade mark registration number 326031 from the Register was lodged on 23 August 1994 by PORTUGAL CORK CO PTY LIMITED (the applicant). The application was opposed on 17 October 1994 by NEWPORT CORK (AUST) PTY LIMITED trading as PORTUGAL CORK (AUST) (the opponent). The registered proprietor of the mark is PORTUGAL CORK CO PTY LTD - a different entity to the applicant for removal. The mark comprises the word PORTCO and is registered for "Adhesives" in Class 1.

The grounds relied upon by the applicant are that the mark was registered without an intention to use it in good faith on the goods included in the specification by the applicant for registration and that there had been no use in good faith by the proprietor or a registered user, and also that, up to one month before the date of the s.23 application, a period of three years had elapsed during which time the mark had not been used in relation to those goods by the registered proprietor or a registered user.

The opponent's grounds against removal were that the mark had been transferred and assigned to the opponent in Victoria under a signed agreement, and that a similar agreement had been made with two other companies trading respectively in New South Wales and Queensland. The opponent said that the opponent and these companies were all entitled to and had all used the trade mark in varied forms since 1986.

Lodgment of the applicant's evidence in support was completed on 24 January 1995. This evidence comprised statutory declarations by:

Bryce Claude Woods dated 20 January 1995
Peter Francis Maxwell dated 20 January 1995

The opponent did not lodge any evidence in answer.

The applicant subsequently applied for a hearing and the matter came before me, as the Registrar's delegate, in Canberra on 8 December 1995. Representing the applicant was Mr James Maxwell of Peter Maxwell and Associates. The opponent relied upon written submissions.

Submissions

At the hearing, Mr Maxwell began his submissions by claiming that the applicant was an aggrieved person, as envisaged by s.23 of the Act, by virtue of the present mark having been cited as a bar to registration of the applicant's own mark, application number 638223 for the same mark and goods in Class 1.

He referred to the declaration by Mr Woods for support in his submission that there had been no use of the mark by the registered proprietor or a registered user during the relevant period, 23 July 1991 to 23 July 1994, as required by s.23(1) of the Act. Exhibited to that declaration was a historical company extract from the Australian Security Commission database showing that the registered proprietor had been deregistered on 24 June 1993. He said that the last annual return for the proprietor had been lodged in 1989, the same day as its last annual general meeting had been

held. Thus, from December 1989 the proprietor had ceased trading and therefore could not have used its mark in the relevant period. He agreed that, as claimed by the opponent, the registered proprietor had entered into an agreement in 1986 with the opponent and two other companies for them to use the mark in their respective states of Victoria, New South Wales and Queensland. Such use was carried out by these entities without any connection in the course of trade with the registered proprietor, or with one another, and each company maintained its own quality standards. Therefore, there could have been no use, as envisaged by the Act, by the registered proprietor or a registered user.

With respect to the Registrar's discretion to refuse removal even if a prima facie case under s.23 had been shown, as in the case of *Ritz Hotel Ltd v Charles of the Ritz & Anor* (1988) 12 IPR 417, Mr Maxwell said that it was in the public interest to have the mark removed. He said that it had been held, in *Paragon Shoes Pty Ltd v Paragini Distributors (NSW) Pty Ltd* (1988)13 IPR 323 that, with respect to the registrar's discretion, three considerations must be taken into account. These were the importance of the public interest, the significance of an unimpeached title to the mark and its continuous use in good faith by the person entitled to it, and that if the first two considerations were shown, then technicalities or defects in legal formalities might be overlooked.

In relation to the public interest, as it related to the Registrar's discretion, Mr Maxwell said that three different and unconnected companies were using the mark, leading to public deception as to the ownership of the mark. He said that the provisions of s.34 of the Act, which dealt with honest concurrent use, were available to these entities should they wish to register their own marks. Additionally it was against the public interest for a mark to remain registered to an entity which no longer existed. He said that the Register should reflect the reality of the market place, something it currently was not doing in the present instance.

Mr Maxwell said that, although it had been claimed that a 1986 agreement existed which assigned interest in the mark to the three different parties, no documentation had been lodged to show this and nothing had been done to register such an assignment with the Trade Marks Office. Similarly, no applications had been made to register any users of the mark. Thus, there was no proven

continuity of use of the mark, as contemplated in the *Paragon Shoes* case, supra, sufficient to defeat an action for removal under s.23.

The opponent's written submissions constituted a letter from Mr Garth Luke, the Managing Director of the opponent company. He reaffirmed the opponent's opposition to the application to remove the mark, which he said had been purchased by the three companies earlier mentioned, including the opponent. He said that these three entities had continued to use the trade mark since 1986 in their respective states and he contended that the mark was jointly owned and should not be "de-registered" so that one of them could register it in its own name.

Discussion

Section 23 of the Act reads:

23. (1) Subject to this section and to section 93, a prescribed court or the Registrar may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered, on the ground-

- (a) that the trade mark was registered without an intention in good faith on the part of the applicant for registration that it should be used in relation to those goods or services by him or, if it was registered under sub-section (1) of section 45, by the body corporate or registered user concerned, and that there has, in fact, been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or a registered user of the trade mark for the time being earlier than 1 month before the application; or
- (b) that, up to 1 month before the date of the application, a continuous period of not less than 3 years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or a registered user of the trade mark for the time being.

Person aggrieved

The threshold question which needs to be resolved in a matter of an application under s.23 for removal of a registered mark is whether the applicant is a "person aggrieved" in terms of that section of the Act. In my estimation, the applicant has established its status in this regard by also being the applicant for registration of a trade mark which comprised the word PORTCO and against which has been cited the present registration under s.33 of the Act - see the words of McLelland J. in *Ritz Hotel* case, supra, at 454.

Onus

It is well established that, under the *Trade Marks Act 1955*, the onus of proof of the non-use of a trade mark rests with the applicant for removal: see *Estex Clothing Manufacturers Pty Limited v Ellis & Goldstein Limited* (1967) 116 CLR 254 at 258 and 259:

It is for the applicant who seeks to have a mark removed to prove his case. The onus is on him to show an absence of use in good faith during the period. ... slight evidence may suffice at this stage for the applicant has the task of proving a negative ... but ... when all the evidence is complete, the question is still, has the applicant proved his case?

However, if the applicant does succeed in establishing a prima facie case of non-use, the onus in the matter shifts to the opponent to demonstrate that it has used its mark on the appropriate goods during the specified period, or that there are grounds for the favourable exercise of the Registrar's discretion under s.23 on the grounds that special circumstances prevented it from using the mark, despite a bona fide intention to do so.

The applicant's prima facie case in this matter includes two declarations undisputed by any contrary evidence from the opponent. Mr Woods' declaration outlines the history of the mark, including the use by the three entities operating independently in different Australian states and exhibits documentation showing the corporate demise of the registered proprietor. Mr Maxwell's declaration attests to a failed attempt to serve a copy of the removal application on the registered proprietor at the address for service shown on the Register. I think that the declarations, taken together, are sufficient in establishing a prima facie case of non-use. The rules regarding evidence in such matters are not as strict as in a court of law and, as the applicant has the difficult task of proving a negative, I am satisfied that the information assembled is sufficient to shift the onus to the opponent to demonstrate use of its mark for the subject goods during the s.23 period. Alternatively, that party could show that there are grounds for the favourable exercise of the Registrar's discretion under s.23, on the grounds that special circumstances prevented it using the mark, despite a bona fide intention to do so.

Use

Under s.23, the thing which must be used is a trade mark, and that term is defined in section 6(1) of the Act as:

- (a) except in relation to Part XI, a mark used or proposed to be used in relation to goods or services for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the goods or services and a person who has the right, either as proprietor or as registered user, to use the mark, whether with or without an indication of the identity of that person;

Mr Luke's submissions, in the notice of opposition and in the letter lodged for consideration at the hearing, are unsupported by evidence of any kind. With respect, the unconfirmed claims made are insufficient to show that the use claimed by the three companies in their respective states is of the kind contemplated by S.23(1) of the Act, i.e. use by, "...the registered proprietor or a registered user of the trade mark for the time being." His assertions of the sale of the mark to, and use by, three separate companies is undocumented and, in any event, the Registrar was not advised by way of assignment applications or registered user documentation. The Register merely shows that the mark is registered to the original proprietor, a company which, from the applicant's unchallenged evidence, went out of business in 1989 - 18 months before the relevant non-use period. I can only therefore conclude that there was no use by the registered proprietor, or a registered user, during the period of alleged non-use, 23 July 1991 to 23 July 1994.

Special Circumstances

The opponent has not produced any evidence relating to special circumstances which prevented the registered proprietor from using its mark during the s.23 period in Australia and Mr Luke did not make any submissions regarding such a possibility. I therefore cannot find that any such state of affairs existed which prevented it from using the mark.

Discretion of the Registrar

In cases such as I have to decide in the present instance, it is the public interest which is the main determinant for the exercise of the Registrar's discretion to remove or retain a trade mark on the Register. On one hand, the opponent has said that it, together with two other companies, were using the mark, each having purchased it in 1986 for use in their respective states. However, it has not produced a shred of evidence to support this. In any event, no application was made to amend the Register in the form of an assignment, or to register a user. Conversely, the applicant has applied for registration of its own mark, which comprises the word PORTCO, for "adhesives..." in Class 1. This raises issues of the potential deception or confusion of the public, as to the ownership of the mark, if it remains registered in the name of the original proprietor, an entity which apparently ceased to exist in 1989. I think that this possibility of deception or confusion is the more relevant consideration in safeguarding the public interest which I feel would be best served by the removal of the mark from the Register.

Decision

The opponent has not, to my satisfaction, discharged its onus of showing why the mark should not be removed, on the grounds of non-use, during the period in question. Accordingly, I have decided that the applicant has been successful in its action under para.23(1)(b). Having so found, I do not need to look at the other part of the applicant's case under para. 23(1)(a), that the mark was registered without an intention of good faith to use the mark, and I make no comment on that ground. In addition, the opponent has not shown to me any reason why I should exercise the Registrar's discretion to retain the mark in the present instance.

Accordingly, subject to any appeal from this decision, I direct that the registration should be removed for all the goods for which it is registered. Having been successful in its application, the applicant is entitled to its costs and I so award them.

Ian Forno
Hearing Officer

21 December 1995