



TRADE MARKS ACT 1995

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

Re: Opposition by QH Tours Limited to applications to remove trade mark registrations numbers 330926 and 330827, under section 92 of the Act by The Mark Travel Corporation.

Background

Trade Mark registrations 330926 and 330827 are owned by QH Tours Limited (hereinafter 'the opponent'). The opponent is a subsidiary of the airline Qantas Airways Limited. Brief details of the registrations are:

Registrations 330926 (FUNJET SERVICE) and 330927 (FIJI FUNJET) are respectively registered in Class 39 for:

Those travel agency, transport and storage services included in this class and relating to or ancillary to travel by jet transport

Those travel agency, transport and storage services included in this class having some relationship to the geographical location Fiji and additionally relating to or being ancillary to travel by 'jet' transport

On 17 June 1997, applications were made under subsection 92(4)(b) for the removal of registrations 330926 and 330927 by The Mark Travel Corporation of Milwaukee, Wisconsin ('the applicant'). The relevant period of non-use is therefore 17 May 1994 until 17 May 1997.

Evidence

Evidence in support and evidence in answer were served by the applicant and opponent in accordance with the Act and regulations. The evidence in support is a statutory declaration by Hank Cappaert, Vice President of the Mark Travel Corporation (the Cappaert declaration) stating that the applicant has an application (701394) pending and that he believes that the applicant "has had" a continuing intention to use the trade mark in Australia. The evidence in answer is more extensive - there is a statutory declaration (The Gulliver declaration') by Jennifer Gulliver, Marketing Manager of the opponent and there is a statutory declaration (the Whitby declaration) by Tracy Whitby, Advertising and Promotions Manager for the opponent. The Gulliver declaration, and the exhibits to it, attest to preparation by the opponent to use the trade mark FIJI FUNJET in relation to the services during the relevant period and to the subsequent use of the trade mark FIJI FUNJET. The Whitby declaration attests to the use of the FUNJET trade mark during the period 1974 to 1978.

Three main issues arise from the evidence for my determination. These are whether the applicant is a person aggrieved; whether the small amount of preparation by the opponent within the relevant period to use the word FIJI FUNJET constitutes use of one or both of the trade marks; and, whether I should exercise my discretion under subsection 101(3) in relation to either or both of the trade marks.

A hearing of the issues was held before me in Sydney on 9 March 1999. The applicant was represented by Gerard Skelly of Spruson & Ferguson, Patent and Trade Mark Attorneys of Sydney. The opponent relied on written submissions from its solicitors, Minter Ellison of Sydney. For the sake of convenience, I will dispose of the issues in the order that I have listed them in the preceding paragraph.

Person Aggrieved.

The general principles of this issue have been considered by Deputy Registrar Hardie in relation to *Application by Intensity Pty Ltd for removal of trade mark number 565476, registered in the name of Gavin James O'Mahoney*. (Publication pending). Here she said:

" ... the provisions of section 92(1) may be satisfied by an application document which clearly states that the applicant is a person aggrieved by the trade mark registration."

This the applicant has done, but the opponent states that this is not enough. I agree that the filing of an application for removal (stating that the applicant is a person aggrieved) is enough for the applicant to establish *prima facie* standing as a person aggrieved. However, least the opponent's allegations concerning the applicant's lack of standing have any merit, I observe that the present applicant would have had the standing if the more stringent provisions of the repealed Act still applied, for the following reasons.

The provisions of the Act which relate to the expression, 'a person aggrieved' are found at sections 17, 27(1)(a)(i), 92(1), 92(1)(a) and regulation 9.1:

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

27.(1) A person may apply for the registration of a trade mark in respect of goods and/or services if:

- (a) the person claims to be the owner of the trade mark; and
- (i) the person is using or intends to use the trade mark in relation to the goods and/or services;

92.(1) A person aggrieved by the fact that a trade mark is or may be registered may, subject to subsection (3), apply to the Registrar for the trade mark to be removed from the Register.

(2) The application:

- (a) must be in accordance with the regulations; and
- (b) may be made in respect of any or all of the goods and/or services in respect of which the trade mark may be, or is, registered.

Regulation 9.1 For the purposes of paragraph 92 (2) (a) of the Act (which deals with applications), an application for the removal of a trade mark from the Register:

- (a) must be in an approved form; and
- (b) must be accompanied by a declaration made by, or on behalf of, the applicant:

- (i) stating that an inquiry into the use of the trade mark has been conducted by, or on behalf of, the applicant; and
- (ii) setting out the findings of that inquiry that support either or both of the grounds for the application referred to in subsection 92 (4) of the Act.

In *Kraft Foods Inc (previously known as Kraft General Foods Inc) v Gaines Pet Foods Corporation* 34 IPR 198, the application under section 23 of the repealed *Trade Marks Act 1955* failed as the statement of user filed under regulation 8(1) was ambiguous. It stated alternatively that the applicant both presently used or intended to use the trade mark - statements that the court found to be mutually exclusive. The statement was not accepted by the court as evidence of the applicant's aggrievement.

Under the *Trade Marks Act 1995*, there is no requirement that an applicant should file a statement of user. The effect of section 17 is that the making of the application is *prima facie* statement of use (or intention to use) - a presumption that may be challenged in later proceedings.

Minter Ellison, in their written submissions, argued that the Henry Cappaert declaration had not stated either his duties or the nature of the applicant's business and was thus unsatisfactory. Mr Skelly responded that the lodgement of trade mark application 701394 by the present applicant, coupled with Mr Cappaert's unequivocal statement that the applicant has a continuing intention to use the trade marks, placed the applicant within the category of being a person aggrieved in the sense meant in *Gaines, supra*. I agree with Mr Skelly that, in terms of the decision in *Gaines*, the applicant has more than satisfied the requirement that it be a person aggrieved.

Use of trade marks within relevant period

There are two aspects to this issue: firstly, whether the amount of preparation by the opponent during the relevant period for the use of the words FUNJET and FIJI FUNJET constitutes use. Secondly, whether the use of the words FUNJET and FIJI FUNJET constitutes use of either or both of the trade marks.

The preparation

The Gulliver declaration attests to a chain of events that started in March 1997. Sometime on or earlier than 15 March 1997, the declarant attended a weekly marketing brainstorm session where it was decided to revive the FIJI FUNJET concept, previously run in the period 1974 to 1978. Appended to the declaration is an intra-office memorandum from Ann Johnson, Marketing Controller, dated 15 March 1997 which mentions the Fiji Funjet in the context of a four-page flyer to be released in July 1997. Also appended to the Gulliver declaration is an intra-office memorandum, dated 20 May 1997, from Ann Johnson to Phillipa Hannay, Qantas corporate lawyer, confirming an intention to use the "Fiji Funjet name" on their next Fiji product flyer to be released in July 1997.

Other exhibits to the declaration show the flyers and other promotional material that were produced subsequent to July 1997 - much of them bearing the trade mark FIJI FUNJET - and, some isolated instances that show use of the word FUNJET, *solus*, such as a plastic cup bearing a floral emblem, the standard form of the QANTAS logo and the word FUNJET in fancy type.

While there is not much case-law to offer me guidance on what constitutes use of services in the context of applications for removal, there is analogous case-law as regards goods. And there is also sufficient case-law relating to goods or services on the question of proprietorship in issues heard under section 40 of the Trade Marks Act 1955 and section 60 of the Trade Marks Act 1995 to enable me to decide this question.

In *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* (1984) 156 CLR 414, at 432, Deane J held that the prior use which will suffice for this purpose, "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 [or services] for the purpose of indicating or so as to indicate a connection in the course of trade."

Deane J continued, at 433, "it is not necessary that there be an actual dealing in goods bearing the trade mark before there can be a local use of the mark as a trade mark. It may suffice that imported goods which have not actually reached Australia have been

offered for sale in Australia under the mark. In such cases, however, it is possible to identify an actual trade or offer to trade in the goods bearing the mark or an existing intention to offer or supply goods bearing the mark in trade.”

In a decision of Deputy Registrar Hardie, relating to services, *Sizzler Restaurants International Inc v Sabra International Pty Ltd* (1990) 20 IPR 331, the Deputy Registrar said of the preparatory work for the use of the trade mark SIZZLER:

I distinguish this use from the use found short in the *Moorgate* case. There, the court found it was not established that at the critical date there was an existing intention to offer or supply the goods bearing the mark in trade. There was no more than preliminary discussions and most notably, the choice of a trade mark was not yet settled. Here, I do not find that there were services which had been offered under the trade mark, but I do find that there was a fixed and existing intention to use the mark SIZZLER, that the market research and negotiations were much more than the preliminary discussions undertaken in the *Moorgate* case, and that by means of the market research and trade negotiations, the Sizzler Restaurants International had exposed its use of the trade mark SIZZLER to the public

Similarly, the services under the FIJI FUNJET trade mark had not (in the relevant period) been offered to the public, but the opponent did have a fixed and existing intention to immediately use the trade mark and, in fact, did within three months. The marketing meeting in early to mid March 1997 attested to in the declarations, was not in the nature of being a preliminary discussion. It was a meeting that resolved to re-use the FUNJET concept and trade mark immediately. While the trade mark was not then exposed to the public, it had previously, in the period 1974 to 1978, been widely used by the opponent.

Minter Ellison, in their submissions, referred me to the decision in *'Hermes' Trade Mark* [1982] RPC 425 where Falconer J quoted with approval the words of Mr Myall, the Assistant Registrar in the *Revue case* [1979] RPC 27 at 31:

I do not, however, think that it is necessary that the goods must exist concurrently with the advertisements. It seems to me that if the proprietor has, by the time an offer for sale is published, taken positive steps to acquire goods marked with the trade mark, he has done enough for his combined actions to constitute use on, or in relation to, goods within the meaning of [the British Act]

In *Sizzler*, supra, the Deputy Registrar said, "Paramount, to my way of thinking, is the fact that the *Moorgate* case is a determination in respect of goods and that the present application is an application for registration of a mark for services."

The difficulty with services is that there is no physical product to be ordered in a way that is analogous to that which occurred in *Hermes*, supra. What, in effect, is to be ordered is the advertising, the brochures, the provision of information to travel agents and the distribution of press kits to the media.

Jennifer Gulliver states in her declaration that it is the policy at QH Tours and Qantas Holidays to keep a stable of registered trade marks and to draw on from time to time for various holiday and and tour promotions.

While I would not go so far as to say that, in removal applications, 'services' registrations should be treated any differently to 'goods' registration, I think I can, in this issue, take into account the obvious preparation and intention of the opponent to use the trade mark FIJI FUNJET during the relevant period, coupled with the fact that the process of putting a service onto the market is a different process from putting goods onto the market. It is not at all obvious when the service is actually available and I think that the process of ordering the brochures, scheduling advertising and so on is directly analogous to 'tak[ing] positive steps to acquire goods marked with the trade mark" as per *Hermes*, supra.

The Trade Marks Used

Having established that the preparation to put its services onto the market was use in the relevant period, I must also decide whether that use was of either, or both, of the trade marks FUNJET SERVICE and FIJI FUNJET.

The words FIJI FUNJET are frequently used in the brochures and other material submitted as evidence by the opponent. I therefore find that the use has been use in relation to the trade mark FIJI FUNJET.

The trade mark FUNJET SERVICE, *per se*, is not used in the brochures or in any of the evidence. While the Whitby declaration attests to its use in the period 1974 to 1978, this use is outside the relevant period. Thus, while it is not pertinent to this decision, I note that there is an itinerary for some travel agents appended to the Whitby declaration which does show use of the word FUNJET. This is from 1979, which is after the period during which the declaration states that it was used as a trade mark and from well before the relevant period.

However, I note that in the brochures supplied that attest to what I have found to be use within the relevant period, each of the various holiday-packages offered mentions a FUNJET BONUS. Examples include, 'Funjet bonus: stay 5 nights/pay 4"', 'Funjet Bonus: Kids Eat FREE when staying with adults', 'Funjet Bonus" FREE Continental Breakfast daily'. This latter offer is qualified 'Funjet offer available 1 Nov 1997/15 Jan 1998".

Accordingly, the brochures show that the word FUNJET, *solus*, was being used as a trade mark in relation to the services.

Subsection 3 of section 100 of the Act allows:

(3) For the purposes of paragraph 1(c), the opponent is taken to have rebutted the allegation that the trade mark has not, at any time during the period referred to in that paragraph, been used, or been used in good faith, by its registered owner in relation to the relevant goods and/or services if:

(a) the opponent has established that the trade mark, or the trade mark with additions or alterations not substantially affecting its identity, was used in good faith by its registered owner in relation to those goods or services during that period; or

Accordingly, it falls out for me to decide whether the addition of the word SERVICE to the word FUNJET is an alteration substantially affecting its identity.

I think that, as the registration of the FUNJET SERVICE trade mark is in respect of 'services', the word SERVICE is not an addition or alteration that substantially affects the identity of the word FUNJET. Or, alternatively, that the omission of the word SERVICE is an alteration that does not substantially affect the identity of the trade mark FUNJET SERVICE.

This view is corroborated by the Registrar's practice in relation to section 51 of the Trade Marks Act 1995 which allows:

51.(1) A person may make a single application under subsection 27(1) for the registration of 2 or more trade marks in respect of similar goods or similar services within a single class if the trade marks resemble each other in material particulars and differ only in respect of one or more of the following matters:

.....
(d) any matter that is not inherently adapted to distinguish the goods or services and does not substantially affect the identity of the trade marks.

The tests under section 51, because they deal with 'substantial identity', offer illumination of the tests under section 100(3) which specifies "additions or alterations not substantially affecting ... identity". In this regard I note that the Registrar has accepted for registration the trade marks listed below as being 'series' trade marks:

550903 (42)	COMPUSERVE	COMPUSERVE INFORMATION SERVICE
618323 (37)	VIP	VIP HOMES SERVICES
618324 (37)	VIP	VIP HOME SERVICES
714906 (42)	VIP	VIP HOME SERVICES
725577 (36)	WIZARD	WIZARD FINANCIAL SERVICES

I thus consider that the opponent's use of the trade mark FUNJET has been use of its trade mark FUNJET SERVICE.

Discretion

If I am correct in my assessment of these oppositions to the removal applications, they have succeeded and there is no requirement that I consider whether I should exercise my discretion. However, I acknowledge that the decision is a difficult one, as relating to the opponent's use of the trade marks within the relevant period. I therefore observe that, if I had needed to exercise my discretion, it would have been to allow the trade marks to remain on the register.

In *Paragon Shoes Pty Limited v Paragini Distributors (NSW) Pty Limited* (1988), 13 IPR 323 at 324, three conditions are listed for consideration by the Registrar in exercising that discretion:

- whether anyone has been deceived or is likely to be deceived if the mark remains on the register;
- the significance of the continued use of the mark in good faith by the person entitled to it; and
- if the public interest is not adversely affected and such title and use are shown, then technicalities or defects and legal formalities may be overlooked.

Given the recent use of the trade marks by the opponent, preparations for which commenced within the relevant period, I think that there could be significant confusion or deception if the trade marks were to be removed from the register.

The opponent has stated that it has a pool of trade marks that it draws on from time to time to use for holiday promotions. It has previously used the trade marks in the late 1970s and the use, both then and more recently, has apparently been *bona fide*.

From the facts in the preceding two paragraphs, it appears that the public interest will be better served by allowing the trade marks to remain on the register than to remove them for the reason that the preparations to put the services onto the market could technically not constitute use.

In *Hermes*, supra, the court also held that it was significant that the opponent had a residual reputation in its trade mark and that this also went to the exercise of the registrar's discretion. This is true in the present instance.

Decision

I find that the applications to remove applications 330926 and 330927 are unsuccessful as the opponent had used both of the trade marks during the relevant period. I have further found that, if my discretion should be exercised, I should allow the trade marks to remain on the register.

Costs

Costs should go to the opponent, it having been successful in these proceedings.

Ian Thompson
Hearing Officer

2 April 1999