



TRADE MARKS ACT 1955

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

Re: Opposition by ANTHONY SQUIRES (AUSTRALIA) PTY LTD to application by DECATHLON for removal under section 23 of the *Trade Marks Act 1955* of trade mark registration number 338905

Background

Trade mark registration no. 338905 is in respect of the trade mark **DECATHLON**, for "Articles of clothing" in class 25. The registration dates from 12 October 1979, in the name of ANTHONY SQUIRES (AUSTRALIA) PTY LTD (hereafter: "Anthony Squires" or "the opponent"). On 17 February 1995, a French company by the name of DECATHLON lodged an application, under section 23 of the *Trade Marks Act 1955*, to remove the trade mark from the Register. Decathlon's service of a copy of its removal application on the agents for Anthony Squires was delayed until 26 August 1996. Despite some dissension between the parties as to the validity of Decathlon's service on the agents of the registered proprietor, this *was* valid service for the purposes of subregulation 22(2) of the *1955 Trade Marks Regulations*. The removal application could then be advertised in the *Official Journal of Trade Marks*, for possible opposition. Advertisement occurred on 28 November 1996. In response, Anthony Squires filed its notice of opposition to removal on 21 February 1997.

As provided in the transitional provisions of Part 22 of the *Trade Marks Act 1995*, the provisions of the *Trade Marks Act 1955* continue to govern this opposition. Accordingly, unless otherwise indicated, any reference to the Act in this decision is a reference to the *Trade Marks Act 1955*.

The application for removal

The grounds cited in the application for removal were based on paragraphs 23(1)(a) and (b) of the Act:

- The trade mark was registered without an intention in good faith on the part of the applicant for registration that the mark should be used in relation to the goods specified and that there had, in fact, been no use in good faith of the trade mark in relation to those goods by the registered proprietor or any registered user
- Up to one month before the date of the application, a continuous period of not less than 3 years had elapsed during which the trade mark was registered and during which there was no use in good faith of the trade mark in relation to the goods specified by the registered proprietor or any registered user of the trade mark.

The relevant period of non-use for the purposes of paragraph 23(1)(b) was 17 January 1992 to 17 January 1995.

The notice of opposition

Anthony Squires' notice of opposition listed five grounds:

- The opponent denied the statements made in the application for removal
- The opponent had used the trade mark, in good faith, on the goods for which it was registered, during the relevant period
- If it had not used the trade mark during that period, its failure to do so had been due to special circumstances, rather than any intention not to use, or abandon the trade mark
- The applicant for removal had not used the trade mark in Australia in relation to clothing, before the date of filing the section 23 application, or thereafter

- The Registrar should exercise his discretion to refuse the application for removal, having regard to any or all of the above grounds, or otherwise.

The evidence

Decathlon completed service and lodgement of the evidence in support of its removal application by 4 March 1997. This evidence comprised:

- ❖ Statutory Declaration by Gary Denville Franklin, company secretary of Brack's Apparel Pty Ltd, dated 29 February 1996
- ❖ Statutory Declaration by Frank Conceicao, owner and manager of Albion Cycles, dated 3 August 1996
- ❖ Statutory Declaration by Adam Pozniak, director of Saucony S.P. Pty. Ltd., dated 4 November 1996.

Anthony Squires completed its evidence in answer by 4 June 1997. The evidence comprised:

- ❖ Statutory Declaration by Daniel Bendel, dated 4 June 1997, together with exhibits DB-1 to DB-5.

Decathlon's evidence in reply was then finalised by 6 July 1998. This was:

- ❖ Statutory Declaration by Sean Francis McManis, solicitor employed by Baldwin Shelston Waters, dated 24 June 1998, together with annexures A and B
- ❖ Statutory Declaration by Dominique Quievre, garment manager at DECATHLON S.A., dated 16 June 1998, together with Exhibit 1.

The hearing

At the completion of the evidence stages, the removal applicant, Decathlon, requested a hearing in the matter. This came before me, as a delegate of the Registrar, in Canberra on 15 September 1998. Mr Sean McManis, of Baldwin Shelston Waters, Sydney, represented

Decathlon at the hearing. Mr Brian Hendy, of Carter Smith and Beadle, Melbourne, did not attend the hearing, but provided written submissions on behalf of Anthony Squires.

The removal applicant's case

Mr McManis began his submissions at the hearing by advising me that Decathlon's standing as a "person aggrieved", required under section 23 of the Act, was established by the following circumstances:

- As referred to in the declaration by their garment manager, Dominique Quievre, Decathlon had applied on 19 January 1994 for registration of the trade mark DECATHLON in class 25 (application no. 620639) for "articles of clothing". Registration of that application was prevented by Anthony Squires' registration no. 338905.
- Mr Quievre's declaration also confirmed Decathlon's intention to use the trade mark in Australia, and its wish to obtain registration.
- The declaration also provided details of around eighty overseas filings and registrations held by Decathlon for the trade mark at issue.

Mr McManis then considered the prima facie case, which Decathlon was required to make in support of its removal application. He drew my attention to the fact that the declarants Franklin, Conceicao and Pozniak, despite being persons knowledgeable in the trade, had declared no knowledge of use of the trade mark DECATHLON by Anthony Squires. Mr McManis also drew my attention to his own declaration, filed as part of his client's evidence in reply, which annexed the results of a Fashion Brand Index search. The search disclosed no listing for the trade mark DECATHLON in the years 1992 to 1995, inclusive. The Fashion Brand Index, as described in its promotional material (Annexure "A" of Mr McManis' declaration) and referred to by Mr McManis at the hearing, is a computer database of over 200,000 labels in use in the Australian clothing industry. It covers all types of clothing from high fashion clothing to workwear, accessories and shoes. The Fashion Brand Index was started in 1988, to provide information to clothing manufacturers wanting

to launch a new label, who would otherwise be in danger of using a name "already in use but not registered as a trade mark". According to the promotional material, the Fashion Brand Index includes labels in use from 1988 to the present. It has been compiled from many written sources from across Australia, eg The Ragtrader Publications, the Apparel Agent yearly publication from each state, newspapers and magazines. In addition, users are encouraged to register their label directly with the Index. Finally, according to the information provided, "the files are intended to be used in conjunction with the Trade Marks Office files".

Having covered his client's preliminary case for removal, Mr McManis drew to my attention several inconsistencies and inadequacies, as he described them, in the declaration of Daniel Bendel, comprising the opponent's evidence in support. I will examine Anthony Squires' evidence in more detail a little later, but in essence, Mr McManis' objections to the evidence centred on its lack of detail and convincing supporting documentation, such as invoices. He also pointed out some ambiguities in the computer printout of sales figures, annexed as Exhibit DB-3 to Mr Bendel's declaration. Mr McManis said that the cumulation of the inconsistencies and inadequacies he had identified in the opponent's evidence, put the veracity of Anthony Squires' entire case in doubt. Mr McManis referred me to the "*Nodoz*" case, (1962) RPC 1. In that case, he said, Justice Wilberforce clearly laid down the principle that should be adhered to by an opponent to a removal application. That is, the less evidence that is relied upon, the better the evidence should be. According to Mr McManis, Anthony Squires had flouted that principle in the provision of their evidence of use of the trade mark DECATHLON.

Finally, Mr McManis touched on the matter of the Registrar's discretion under subsection 23(1) *not* to remove a trade mark, irrespective of the strength of the removal applicant's case ("...the Registrar *may*, on application by a person aggrieved, order a trade mark to be removed from the Register..."). He said the onus for making a case for exercise of the Registrar's discretion not to remove lay squarely with Anthony Squires, and there was

nothing in their evidence to discharge that onus. No explanation for non-use of the trade mark had been proffered, and no attention had been drawn to any special circumstances that might have affected use of the mark within the relevant period. Mr McManis argued that, under these circumstances, the Registrar's discretion should only be exercised with extreme caution, otherwise no trade mark would ever be removed from the Register. Mr McManis cited a recent Office decision on an application by Figgins Holdings Pty Ltd for removal of registration no. 460449 (as yet unreported) in support of this point of view.

In conclusion, Mr McManis sought an award of costs on behalf of his client.

The opponent's case

Anthony Squire's evidence of use of the trade mark DECATHLON comprised the statutory declaration by Daniel Bendel, company secretary of Anthony Squires. This declaration described first use of the trade mark "as early as 1979" on a range of tailored menswear. According to Mr Bendel, during the period 1987 to 1995 (incorporating the relevant period for the purpose of the removal action - 17 January 1992 to 17 January 1995), the DECATHLON trade mark was also used by Anthony Squires on a range of active sportswear including track suits, casual shirts and jackets.

Mr Bendel then went on to explain that "in about 1995, the use of the DECATHLON trade mark in respect of active sports wear was wound down to allow the market to clear and pave the way in 1996/1997 for the introduction of an up-market range of tailored wear under the DECATHLON trade mark." This up-market range, declared Mr Bendel, is currently being marketed by Anthony Squires under the trade mark.

Mr Bendel's declaration was supported by exhibits, being:

- Photographs, taken in "a retail outlet" and self-dated May 1995, of "old stock" of sports wear garments, namely tracksuits, clearly showing swing tags with the trade mark DECATHLON prominent. Mr Bendel declared his belief that the photographed stock

would have been sold and supplied to the retail outlet prior to 17 January 1995. He did not, as Mr McManis noted at the hearing, provide any further details of the retail outlet.

- Photocopies of labels, showing the mark DECATHLON, that Mr Bendel declared were "employed by [his] company during the period 1987 to 1995 on active sports wear under the DECATHLON trade mark".
- Two pages of computer printout headed STAFFORD GROUP PTY LTD showing figures relating to the years 1991 to 1996 for "lbl DC", which Mr Bendel explained in his declaration, was an abbreviation for "label - Decathlon". Numbers of items sold during the relevant period ranged in this document from "208-" (appearing to indicate a *negative* number of items sold) to "705". The nature of the items in question is not identified.
- A swing tag, and copy of a current advertisement showing the mark as it is now in use, with its refurbished, "up-market" image.

In his written submissions presented for the hearing, Mr Hendy clarified Anthony Squire's connection with the Stafford group of companies, which had resulted (as pointed out by Mr McManis) in the computer printout described above carrying the Stafford name. He explained that Anthony Squires, incorporated in approximately 1977, was a long-established Australian company that formed part of the Stafford group of companies under the controlling entity Stafford Holdings Pty Ltd.

Mr Hendy also elaborated quite extensively upon the information given in evidence, all the while referring back to the wording of Mr Bendel's declaration, as to the history of his client's use of the trade mark. I mention in passing that described in, and attached to, Mr Hendy's submissions was a copy of a "without prejudice" letter from his company, representing Anthony Squires, to F B Rice & Co, representing Decathlon. During the hearing, Mr McManis objected to the inclusion of this letter with Mr Hendy's written submissions. He described it as evidence, "not properly submitted, late in time and

irrelevant". I sustain his objection, and hereby advise both parties that I have taken no notice in my decision of the contents of the letter.

Mr Hendy took issue with Decathlon's expert declarants, whom, he suggested, may well have an association with "clothing related to or worn in the pursuit of some sporting activity", or even with "casual clothing", without necessarily having experience of "the high quality clothing of the Opponent".

In conclusion, Mr Hendy asked that, in the event that I was not prepared to find in his client's favour on the question of use during the relevant period, I nevertheless not exercise adversely the Registrar's discretion to remove the trade mark. He submitted that his client had established proprietorship in the trade mark in Australia, and had never considered it to be abandoned. He said (citing Bowen C.J. in *Riv-Oland Marble Settef* 12 IPR 321 at page 324) that to demonstrate abandonment necessitated more than slightness of use. There would have to be some evidence of an intention to abandon the trade mark to result in proprietorship being lost.

Discussion

The legislation

Section 23 of the Act provides that:

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;

(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.

A person aggrieved

I have already briefly described the removal applicant's case for being a "person aggrieved" by the subject registration. This is a threshold test under section 23; only such a person can make an application for removal. Anthony Squires, in its notice of opposition, denied in general terms "all the statements set out in the Application for Removal". However, Mr Hendy made no further submissions disputing Decathlon's claim to be a "person aggrieved", apart from observing that it has not yet used the trade mark in this country.

Kraft Foods Inc (previously known as Kraft General Foods Inc) v Gaines Pet Foods Corporation, 34 IPR 198, established that the mere fact a person has filed an application for a trade mark that has been blocked from registration, is not sufficient to establish that person as appreciably disadvantaged in a legal or practical sense by the continued registration of an identical or deceptively similar mark. Notwithstanding, here the combined factors of Decathlon's blocked application, which it has expressed a strong intention to use, supported by the existence of its many overseas filings/registrations for the trade mark DECATHLON for clothing, and declared present use of the trade mark in many of those countries, do qualify Decathlon as being appreciably disadvantaged by Anthony Squires' registration. I therefore find it to be a "person aggrieved" within the meaning of the Act.

The onus of proof

The guidelines for the provision of evidence in support of a removal applicant's prima facie case for removal are clearly described in *Estex Clothing Manufacturers Pty. Limited v. Ellis and Goldstein Limited*, 116 CLR 254 at 258:

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. If persons who, by reason of their connexion with the relevant trade, might be expected to have seen or heard of the mark if it were used as a trade mark upon goods for which it is registered, swear that they had not seen or heard of it in use as a trade mark at any time during the relevant period, that is prima facie evidence of the fact which the applicant must prove. Slight evidence may suffice at this stage, for the applicant has the task of proving a negative and the registered proprietor is probably in a better position to prove user than is the applicant to prove non-user.”

Decathlon has, according to these guidelines, clearly satisfied the onus upon it to support its application for removal. The onus now shifts to the opponent to the removal, to prove, in the face of Decathlon's evidence, that it *has* used its trade mark, in good faith, during the relevant period. Anthony Squires' evidence has some shortfalls, as Mr McManis has ably identified in his submissions. He has argued that these shortfalls should prove fatal to the opponent's case against removal of its trade mark. This is the issue I must now decide.

Returning to the "*Estex*" case (supra), Windeyer J also said, at page 258:

... under the present Act [that is, the *Trade Marks Act 1955*], the issue is not whether the mark had been in use for a period but whether there was no use during a period. I do not think that, in this context, the word 'during' means 'throughout' so as to require a regular and continuous course of conduct for the whole period. If during the period the registered proprietor uses his mark in good faith that will keep the mark alive, and will rebut what I may call the statutory presumption of abandonment which s.23 creates.

After due consideration of all of Anthony Squires' evidence, I find that it has shown some use in good faith, during the relevant period. Enough, in Windeyer J's terms, to keep the mark alive, and rebut the statutory presumption of abandonment. Despite Mr McManis' contention to the contrary, I do not see the present situation as analogous with that which occurred in the "*Nodoz*" case (supra). In that case, the trade mark owner's evidence of use, over five years, came down to one single order for one single sale, the consummation of which could not be proven. Further, in finding for the removal applicant in that case, Wilberforce J went so far as to say that, if there had been compelling evidence of

completion of that single sale, he "might have been inclined to take a different view". He remarked, at page 7:

It may well be, of course, that in a suitable case one single act of user of the trade mark may well be sufficient; I am not saying for a moment that that is not so; but in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof.

In the present case, I have been provided with figures that are declared to relate to the sale of several hundred clothing items, during the relevant period. I have descriptions and some photographs of the goods sold, and examples of the swing tags applied to them. Further, I have been given a plausible explanation of Anthony Squires' reasons for "winding down" its use of the trade mark around the end of the relevant period, to make way for a new image for the trade mark, which remains in use today. I have rather more than "one single act", requiring "overwhelmingly convincing proof".

My own experience supports Mr Hendy's observations that awareness of his client's trade marks need not necessarily be widespread. There are some stores and traders that, to my knowledge, have always had reputations for "exclusive menswear". This, I believe, could easily lead to a situation where the trade marks used and displayed within such outlets may be well known and easily identified by their regular customers, yet still be little known by others working at the more popular end of the clothing industry. This could also be a factor in the trade mark not having a listing in the Fashion Brands Index, cited by Mr McManis. It seems possible that a trade mark, used "in-house" rather than being the subject of much outside advertising, and already having the protection of trademark registration, so that its owner may not consider it necessary to register anywhere else, may well not appear in the Index.

Decision and costs

For all the reasons discussed above, I find that Anthony Squires has satisfied the onus upon it to demonstrate its use of the trade mark DECATHLON within the period 17 January 1992 to 17 January 1995. Accordingly, I refuse to remove trade mark no. 338905 and hereby dismiss Decathlon's removal application.

I award costs, according to the official scale, to the successful opponent, Anthony Squires (Australia) Pty Ltd.

Claudia Murray
Acting Hearing Officer
29 January 1999