



TRADE MARKS ACT 1995

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

Re: Opposition by JOOSSE APPAREL PTY LTD to an application, under section 92 of the *Trade Marks Act 1995*, for removal from the Register, on the grounds of non-use, of trade mark registration number 368662 by GREAT WHITE SHARK ENTERPRISES INC.

An application under s.92 of the *Trade Marks Act 1995* for the removal from the Register of registration number 368662, the trade mark shown below, was filed by Great White Shark Enterprises Inc. (the applicant) on 7 June 1996.

Accordingly, the three year period of alleged non-use, for the purposes of s.92(4)(b), was 7 May 1993 to 7 May 1996. A notice of opposition to that application was filed by Joesse Apparel Pty Ltd (the opponent) on 27 September 1996. The respective parties completed the filing and service of the evidence in support, answer and reply by 15 September 1997.

The applicant requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Canberra on 15 January 1998. Mr Walter Joesse, a Director of the opponent, made submissions on behalf of that entity. Mr Richard Cobden of Counsel, instructed by Baker &

McKenzie, Solicitors and Attorneys, appeared on behalf of the applicant. I will later briefly summarise the submissions made by both parties in the matter.

Evidence

Evidence in support

Statutory declaration by Wolter Joesse dated 4 December 1996 and exhibit WJ1 (first Joesse declaration).

Evidence in answer

Statutory declaration by Kenneth James Taylor dated 10 June 1997 and exhibits KJT1 to 3.

Evidence in reply

Statutory declaration by Wolter Joesse dated 12 September 1997 (second Joesse declaration).

Background

The current trade mark was registered from 26 November 1981 by Joesse Agencies Pty Ltd, a clothing distribution agent, which later changed its name to Joesse Apparel Pty Ltd. That company is the current opponent. On 23 March 1995, an application to remove the trade mark from the Register on the grounds of non-use under s.23 of the *Trade Marks Act 1955* was lodged by the present applicant. It did not notify the Trade Marks Office of effective service of the s.23 application. On 7 June 1996, the applicant filed the present application to remove the mark under s.92 of the *Trade Marks Act 1995*. A declaration by Mr Ross McLean, a partner of Baker & McKenzie, accompanied the application for removal in accordance with regulation 9.1. Mr McLean declared that the applicant for removal was also the applicant for registration of two trade marks, 562442 and 562440, which included shark devices, against which an examiner had cited the present registration. He said that the applicant intended to use its own shark devices for its goods of interest. He said that, because of the citation, the applicant qualified as a person aggrieved.

Mr Joesse, a director of the opponent, said in his first declaration that he and his wife, directors and shareholders of the opponent, purchased the shares of a second company, David Keys (Aust) Pty Ltd (David Keys) and operated both companies in tandem in relation to the manufacture of clothing.

Mr Josse declared that both companies had used the present mark, “for many years”, still used it, and proposed to continue to do so. Exhibited to his declaration was a photograph of a shirt, bearing the mark on its label and front, which he said had been recently manufactured by the opponent for sale. He also declared as to sales details by the opponent for the years of 1993-94 and 1994-95.

In 1993, Mr Taylor, a licensed private inquiry agent, received instructions from Reebok International Ltd (Reebok) to investigate use of the present shark device trade mark. Mr Taylor said in his declaration that he made certain inquiries which revealed, amongst other things, no use of the present trade mark. He also declared that he received further instructions from Reebok in 1994 to again search for use of the mark. He said that this search also did not reveal any use of the present mark, although he did see garments with other shark devices belonging to the Cronulla-Sutherland rugby league club and from the Greg Norman-Reebok range. He later declared that, in 1996 and then in 1997, Baker & McKenzie instructed him to carry out more searches for use of the present trade mark. He said that, despite extensive inquiries, he still did not locate any use of the mark by the registered proprietor.

Submissions

In his submissions opposing removal, Mr Josse gave some details as to the origins of his company’s trade mark. He also made certain statements describing what he said had been negotiations between the parties. He further made submissions regarding some financial, legislative and tax problems which his companies had allegedly experienced.

However, all of these matters are not at issue here. The only question which is the subject of this decision is whether there has been use of the trade mark by the registered proprietor within a specified period. The other events mentioned are not relevant to these proceedings and are outside the competence of the Registrar to consider. I will therefore only summarise his arguments as they relate to the opponent’s alleged use during the period in question.

Mr Josse went through each paragraph of Mr Taylor’s declaration, pointing out what he said were many inaccuracies and untruths. He said that his company owned several brands, including the present mark, none of which were listed in the *Fashion Brands Index* and *Rag Trader* magazine

said to have been searched by Mr Taylor. He said that his companies had not sold goods through the Myer Group, or any of the other clothing retail stores visited by Mr Taylor. Instead, his companies made “classical” clothes which were sold in small shops, boutiques and country stores. He said that, just because Mr Taylor had not found any use of the shark device mark during his investigations, then this did not mean that no use by the opponent on clothing had taken place.

Mr Joesse pointed to the photograph of the shirt bearing the trade mark which had been included with his declaration as evidence of use of the trade mark on the relevant goods. He said that his company had sent a range of clothing with the mark attached to his then solicitor, who prepared the opponent’s evidence. However, that party had chosen to only photograph one item - the shirt. He said that Mr Taylor had not, at any time during his investigations, asked to buy clothing bearing the mark and only went to shops where the opponent’s goods were *not* being sold. He said that the opponent had not made any written business plans regarding use of the mark which it could produce as evidence. Instead, sales had been organised, “by the seat of our pants” in a volatile market place.

In his submissions on behalf of the applicant, Mr Cobden said that much of Mr Joesse’s presentation was not relevant to the present proceedings, based as it was on any alleged contact between the parties, or on the problems which his companies had experienced over the years. He said that the hearing on the present matter was only concerned with ascertaining whether there had been any use of the mark by the registered owner during the critical period.

Mr Cobden said that the applicant was a person aggrieved within the meaning of s.92(1) because the present mark had been cited during examination as a bar to the registration of the applicant’s trade mark applications, and also because the registered owner had asserted, via Mr Joesse’s second declaration, that the applicant was in breach of the former party’s registered trade mark.

He said that, although Mr Joesse had spent a great deal of time in his presentation discussing the declaration by Mr Taylor, such a dissection had already been carried out in the second Joesse declaration comprising the evidence in reply. However, given the breadth of Mr Taylor’s investigations, it fell to the opponent to conclusively show use during the period in question. Mr

Cobden said that, notwithstanding this, Mr Joosse had not said, in his declaration and submissions, anything about actual use or specifically where goods were sold bearing the mark - only where it did *not* sell the goods.

Mr Cobden said that ss.100(1)(c) and 100(3) governed the conduct of the present application, meaning that the onus was on the opponent to rebut an allegation of non-use for a specific three year period by establishing use by the registered owner during that time. This, he submitted, the opponent had not done. He said that the opponent's evidence had not discharged the onus upon that party to show that use had occurred. He submitted that the assertions of use in Mr Joosse's first declaration were not supported by any other material, eg supporting declarations, orders, advertisements, invoices, swing tags or the like. He said that, additionally, many references to use in that declaration were either indeterminate as to time or referred to periods outside the relevant time. He submitted that there was nothing to support the claim that the garment bearing the mark shown in a photograph and included in the opponent's evidence, was sold or offered for sale, merely "manufactured...for sale". He said that these shortcomings in the evidence meant that the Registrar could not ascertain whether the mark had been used, as a trade mark, in good faith or in the relevant period by the registered owner, despite these factors needing to be "solidly established" - *Trina Trade Mark* (1977) RPC 131 at 135.

With respect to the Registrar's discretion not to remove the trade mark from the Register when the grounds for removal were made out, Mr Cobden said that this discretion should only be exercised in exceptional circumstances - *Jonathan Ross Sceats v Jonathan Sceats Design Pty Limited* (1990)17 IPR 28 at 30. He said that neither the opponent's evidence nor Mr Joosse's submissions revealed any circumstances which were of the kind contemplated in the authorities and certainly nothing which went to upholding the public interest. He said that the opponent's evidence comprised unsupported assertions of use and was thus lacking in showing any actual use of the mark - even outside the critical period.

Mr Cobden closed his submissions by seeking costs in the matter on behalf of the applicant.

Discussion

The sections of Part 9 of the *Trade Marks Act 1995* which are relevant here read as follows:

Application for removal of trade mark from Register etc.

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.*

...

(4) *An application under subsection (1) or (3) (non-use application) may be made on either or both of the following grounds, and on no other grounds:*

(a) *that, on the day on which the application for the registration of the trade mark was filed, the applicant for registration had no intention in good faith:*

- (i)** *to use the trade mark in Australia; or*
- (ii)** *to authorise the use of the trade mark in Australia; or*
- (iii)** *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 to which the non-use application relates and that the registered owner:

- (iv)** *has not used the trade mark in Australia; or*
- (v)** *has not used the trade mark in good faith in Australia;*

in relation to those goods and/or services at any time before the period of one month ending on the day on which the non-use application is filed;

(b) *that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non-use application is filed, and, at no time during that period, the person who was then the registered owner:*

- (i)** *used the trade mark in Australia; or*
- (ii)** *used the trade mark in good faith in Australia;*

in relation to the goods and/or services to which the application relates.

Person aggrieved

The threshold question, which needs to be resolved in a matter of an application under s.92 for removal of a registered mark, is whether the applicant is a "person aggrieved" in terms of that section of the Act. Only such a person can make an application for removal. The notice of opposition did include the ground that the applicant was not a person aggrieved but none of the opponent's evidence went towards showing this. Similarly, I believe that Mr Joosse's submissions at the hearing were vague and non-specific in supporting this assertion. The criteria for determining whether the applicant is such a person under the present Act has not altered from that considered in relation to s.23 of the *Trade Marks Act 1955*. The meaning of that term was defined, for the purposes of section 23 of the 1955 Act, by McLelland J in *The Ritz Hotel Ltd v Charles of the Ritz and Another* 12 IPR 417 at p.454:

It is sufficient for present purposes to hold that the expression would embrace any person having a real interest in having the Register rectified, or the trade mark removed in respect of any goods, as the case may be, in the manner claimed, and thus would include any person who would be, or in respect of whom there is a reasonable possibility of his being, appreciably disadvantaged in a legal or practical sense by the Register remaining unrectified, or by the trade mark remaining unremoved in respect of any goods, as the case may be, in the manner claimed.

In *Kraft Foods Inc (previously known as Kraft General Foods Inc) v Gaines Pet Foods Corporation*, 34 IPR 198, Sheppard, Tamberlin and Sackville JJ held that the mere fact that a person has filed an application for removal of a trade mark is insufficient to establish that a person is “appreciably disadvantaged in a legal or practical sense” by the continued registration of an identical or deceptively similar mark. However, the application for registration of the present applicant’s trade marks and the resulting citation of the present mark as a bar to their registration, together with the accusation by the opponent that the applicant is in breach of the opponent’s registration are, in my opinion, enough to show that the applicant for removal has sufficient interest in the proceedings to be a “person aggrieved”. Accordingly, I find that the applicant is such a person and qualifies to apply for removal of the present trade mark from the Register.

Opposition

Notice of opposition

96.(1) Any person may oppose an application under section 92 by filing a notice of opposition with the Registrar or the court, as the case requires.

...

In the present case, the applicant applied under s.92 for the trade mark’s removal from the Register, alleging that the registered owner did not use the trade mark for the period 7 May 1993 to 7 May 1996. It also attached a declaration stating that it had carried out an inquiry into the mark’s use and had not found any. The opponent filed notice of opposition to this application under s.96, saying that the owner had used the mark during the critical period. The Registrar must now decide the matter based upon whatever evidence has been properly served by each side and also submissions made at the hearing.

Onus

Burden on opponent to establish use of trade mark etc.

100.(1) In any proceedings relating to an opposed application, it is for the opponent to rebut:

...

- (c) *any allegation made under paragraph 92(4)(b) that the trade mark has not, at any time during the period of 3 years ending one month before the day on which the opposed application was filed, been used, or been used in good faith, by its registered owner in relation to the relevant goods and/or services.*

...

(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*

...

- (c) *the opponent has established that the trade mark was not used by its registered owner in relation to those goods and/or services during that period because of circumstances (whether affecting traders generally or only the registered owner of the trade mark) that were an obstacle to the use of the trade mark during that period.*

Under s.100, the onus is clearly upon the opponent to establish that the owner did use the trade mark during the s.92 period, or that circumstances were an obstacle to that use. On the latter point, the opponent here has not pointed to any circumstances that might have prevented use and I am left to decide, as the Registrar's delegate, whether it has been convincingly shown that use did occur.

Use

Mr Joosse, in his first declaration, said that the trade mark was used by his company, and its licensee David Keys, on clothing manufactured and sold by it. He declared that, in the 1993-1994 financial year, the owner sold 455 jumpers, vests and shirts in various styles bearing the mark and, in 1994-1995, 1480 such items were sold. He attached a photograph of a shirt bearing the mark which had been "...recently manufactured by the company for sale..." as proof of this use. In his submissions at the hearing, Mr Joosse reiterated the opponent's claims that use had occurred during

the relevant period, saying that goods bearing the trade mark were sold in small shops, boutiques and country stores. However, the opponent submitted nothing during the evidence stages to support these assertions, save the photograph of the shirt which could have been taken at any time. The opponent did not present any originals or copies of receipts, invoices, orders or advertisements which could show use during the critical period. Neither did it submit any supporting declarations from those in the trade declaring as to use. If sales had indeed occurred during the period in question - even if the sales were to small stores or direct mail orders - then it should be a reasonably easy task to produce something to support this. Mr Joosse's companies may well have organised sales, "by the seat of ...(their) pants" but one would expect at least *some* documentation supporting any alleged sales. I am therefore not convinced that the opponent has done enough to discharge the onus placed upon it by s.100 of the Act. I therefore have no other alternative than to find that use did not occur during the period 7 May 1993 to 7 May 1996.

Given the above, there is no need for me to go further and look at the applicant's evidence in answer as the opponent has not, in my opinion, discharged the initial onus on it to show use. However, I will say that Mr Taylor's investigations seem to me to be as complete and wide-ranging as they could have been under the circumstances. The goods might not have been for sale at the major shopping outlets investigated, or mentioned in the industry publications perused, because of small sales numbers and an *ad hoc* marketing approach, but it would appear that every effort was made to locate some use. It was then up to the opponent to discount all of these allegations of non-use and point to some sales activity in the critical period - no matter how small. This it did not do, Mr Joosse instead concentrating on where he said Mr Taylor was wrong - when it would have been more beneficial to his company's cause to simply point to proven sales.

Registrar's discretion

Determination of opposed application—general

101.(1) Subject to subsection (3) and to section 102, if:

- (a) the proceedings relating to an opposed application have not been discontinued or dismissed; and***
- (b) the Registrar is satisfied that the grounds on which the application was made have been established;***

the Registrar may decide to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.

(2) Subject to subsection (3) and to section 102, if, at the end of the proceedings relating to an opposed application, the court is satisfied that the grounds on which the application was made have been established, the court may order the Registrar to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.

(3) If satisfied that it is reasonable to do so, the Registrar or the court may decide that the trade mark should not be removed from the Register even if the grounds on which the application was made have been established.

In deciding an opposed removal application, the Registrar (or a court) is called on to exercise a discretion. The Registrar or court "may" remove a registration. The proper exercise of that discretion by the Registrar will generally be as per *Ritz Hotel v Charles of the Ritz*, supra, at 482:

If the condition of exercise of the court's power has been established, the entry of the mark should be expunged, or the mark should be removed, as the case may be, "unless sufficient reason appears for leaving it there: cf Application by Carl Zeiss Pty Ltd (1969) 122 CLR 1 at 11 and Astronaut trade mark [1972] RPC 655 at 672.

However, the decision of the Registrar is an administrative one, unlike the decision of a court in what may otherwise be the same matter - see the decision of Jacobs J in *The Queen v Quinn, ex parte Consolidated Food Corporation* 138 CLR 1 at 10. Thus there may be matters which affect the exercise of the discretion by a court but which are beyond the Registrar's competence to decide.

Notwithstanding the above, here, nothing was put to me as to why the Registrar's discretion should be used in favour of the opponent to leave the present trade mark on the Register. The opponent did not point to any circumstances which might have prevented use. It merely stated that it did use the mark but then produced nothing convincing to support that assertion. I cannot see any public interest in leaving a trade mark on the Register which appears, on the evidence and submissions before me, not to have been used during the critical period. That interest would appear to be better served by the mark's removal to avoid any possible misconceptions as to ownership of any deceptively similar trade marks.

Conclusion

The opponent has not, to my satisfaction, discharged the onus placed on it under the *Trade Marks Act 1995* of showing why the mark should not be removed from the Register, on the grounds of non-use, during the period in question. Accordingly, I have no other option than to find that the opponent has been unsuccessful in its opposition to the applicant's action under s.92.

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.

Costs

I can see no reason in the present case why costs should not follow the result. I therefore direct that the opponent pay the costs of the applicant in this matter, the costs being taxed, allowed and certified by an officer of the Trade Marks Office, appointed by the Registrar for that purpose.

Ian Forno
Hearing Officer

20 March 1998