



TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Opposition by INTERFACE MANAGEMENT SERVICES PTY LTD to an application under Section 23 of the Act by LIBERTY ELECTRONIC USA INC for removal from the Register of Trade Mark No.418138

An application under s.23 of the Act to remove trade mark number 418138 from the Register was lodged on 13 August 1990 by LIBERTY ELECTRONIC USA INC.(the applicant), a Californian corporation, of 332 Harbor Way, South San Francisco, 94080, United States of America. The application was opposed on 20 November 1990 by the registered proprietor, INTERFACE MANAGEMENT SERVICES PTY LTD (the opponent), of 169 Prince Edward Parade, Scarborough, 4020, Queensland. The mark comprises the word FREEDOM in Class 9 for the goods, "Computer programmes (recorded); computer software excluding paper tapes for the recordal of computer programmes; computer memories; and computer systems; being goods included in Class 9".

The grounds relied upon by the applicant are as follows:

- (a) The Trade Mark subject of registration A418138 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 and there has, in fact, been no use in good faith of the Trade Mark in relation to those goods by the Registered Proprietor or a Registered User of the Trade Mark for the time being earlier than one month before this application.

- (b) Up to one month before the date of this application, a continuous period of not less than three years has 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 by the Registered Proprietor or a Registered User of the Trade Mark for the time being.

The grounds relied upon by the opponent are as follows:

The mark in question has been used within the alleged non-use period.

The applicant's evidence in support, comprising declarations by Ashley Michael Keith and Charles Kirk Ritchie, was served on the opponent on 8 March 1991. The opponent's evidence in answer, comprising a declaration by John Philip Allison, was served on the applicant on 13 June 1991. Following removal of the mark under sub-sec 70(2) it was restored on 7 May 1992. The applicant did not serve any evidence in reply in the matter.

The matter was subsequently set down for hearing before me on 26 May 1992.

Appearing for the applicant in the matter was Ms Annette Freeman, Solicitor, of Spruson and Ferguson, Patent and Trade Mark Attorneys, while Dr Peter Stearne, Patent Attorney, of Davies Collison Cave, Patent Attorneys, appeared for the opponent.

Ms Freeman began by submitting that the applicant was a person aggrieved under section 23 by virtue of the present mark being cited as a bar to the registration of its own application A445957 in Class 9 for a wide range of computer related goods, the goods of interest being "video display units".

With respect to the declarations by the private investigators, she said that the first of the investigators had visited the premises of the registered proprietor finding it not in occupation and then had visited its new premises which proved to be residential. The

second had canvassed six traders but had found only a reference to the applicant's own product. While she conceded that there were some shortcomings in the evidence, she said that it does raise a prima facie case of non-use as required by the authorities. Here she drew my attention to the words of Windeyer J. in the *Estex Clothing Manufacturers Pty Ltd v Ellis and Goldstein Ltd (1967) 116 CLR 254* where he commented that slight evidence would suffice in support of an allegation of non-use and also, despite the shortcomings of the evidence in that case, that the body of evidence did establish a prima facie case of non-use. She said that a similar situation existed in the present instance. She further referred to the Hearing Officer's decision in *Skill Print Pty Ltd v Sew Hoy & Sons Ltd (1990) AIPC 90*, particularly at p.36,131 where she had referred to declarations, although being found individually wanting for various reasons, were satisfactory together as prima facie evidence of non-use.

Ms Freeman submitted that the non-recordal of the opponent's change of address on the Register and its apparent conduct of business from unmarked premises had hampered the applicant's investigations as to the use of the mark. Attempts to locate the opponent's goods in the market place had proved negative. The applicant is an overseas entity concerned with computer hardware and had experienced difficulties with the gathering of evidence in respect to the local software trade in the time allowed. The evidence had been lodged after the opponent had properly objected to delays. The investigators' reports were obtained prior to the lodgment of the s.23 application and the applicant had felt justified in initiating removal action. She conceded that the opponent's evidence in answer showed use in relation to computer software and asked that the registration be limited to those goods.

In support of this request for part expungement, Ms Freeman cited the decisions in the *Kodiak t/m RPC 269* and *Electrolux Ltd v Electrix (1954) RPC 23* where this had been allowed.

Ms Freeman said that the word "systems" is an ambiguous and generalized one and submitted dictionary meanings in support. Additionally, if "computer systems" included hardware, there had been no use shown on those items. Although the Allison declaration mentioned the term several times in relation to alleged use, any use of the mark on software presented as a system did not constitute use on hardware. It was conceded that there had been use on software but no evidence of actual use in relation to hardware had been presented.

She said that the Registrar retains a discretion in relation to section 23 matters and must also bear in mind the question of public interest. In support of this, she drew my attention to the decisions in *Ritz Hotel Ltd v Charles of the Ritz (1989) AIPC 38,782* and *Powell's t/m (1894) 11 RPC 4* which referred to public interest considerations.

Dr Stearne began his submissions by referring to the *Estex* case, (*supra*), saying it was well established in that case that the onus of proving non-use rests with the s.23 applicant. He said that the decision in that case was relevant in showing that a prima-facie case of non-use could be established if persons who were connected with the particular trade swore that they had not heard of the mark in use. In this respect, he said that the declarations by the private investigators employed by the s.23 applicant should be given no weight in deciding the matter. Neither were connected in any sense with the relevant trade. Mr Keith had polled a number of companies dealing in computer related computer software and hardware. In each instance where he had quoted a person from an organization there had been no indication of their experience in the computer trade,

length of time with the company or their position in the company. The Keith declaration also mentions Interface Technology of Australia, a company which had nothing to do with the applicant. He cited further instances of alleged shortcomings in the Keith and Ritchie declarations which he said showed nothing in establishing a case of non-use. He said that the Allison declaration, the opponent's evidence in answer, had brought up avenues of trade not canvassed by the private investigators who had no knowledge of the computer trade and the various trade channels through which computer products were advertised and promoted. The opponent's goods were promoted more through exhibitions and direct marketing.

With respect to the Ritchie declaration, where enquiries were made as to the business address of the opponent, Dr Stearne said it was clear that the opponent had moved from the address given on the Register and visited by the enquiry agent. He conceded that his client had been remiss in not attending to this earlier but subsequent action had been taken to correct it. The agent had later visited the actual premises where the opponent's business had been conducted but his investigations had been minimal. Given the way the opponent conducted his business, there was no need to signpost the premises.

Dr Stearne said that it was conceded by the s.23 applicant that use had occurred in relation to computer software but dispute centred on whether use had extended to hardware. He lodged copies of material which he said illustrated various terms used in the industry. In relation to the question of what comprises "computer memories" and "computer systems", he referred to definitions of hardware, software and "firmware" - hardware which is embodied with software. He said it was difficult to define what was the division between hardware and software, each being inoperable without the other. The Allison declaration referred to a "system" being sold which was a suite of programmes embodied on a disc and Freedom programmes loaded onto the hard disc of a

computer. The computer was then sold as a Freedom "system" with its associated accessories and software, the Freedom trade mark appearing on the screen when it was turned on. This was clearly use of the mark on hardware. The computer dictionaries referred to "systems" as embodying both software and hardware units. Similarly, the term "memory" was one which applied to both software and hardware, the two being linked in computer dictionaries. A computer memory usually involved a programme loaded onto a floppy disc or tape and sold in that way.

Dr Stearne submitted that computer software and hardware were goods of the same description. In support of this he referred to the decision in *Citycorp's App'n* noted (1988) IPD 11007 where this had been held. He further cited the factors listed in *Jellinek's Appl'n* (1946) 63 RPC by Romer J. which applied in the present instance.

He requested that the Registrar's discretion in the context of s23(2) be exercised in the opponent's favour to prevent deception which could follow the use of conflicting marks on goods likely to be regarded as emanating from the same source. He said that computer hardware and software were sold from the same outlets and there would be undoubted confusion if computer retailers sold hardware and software with the same mark but which had a different origin. In support of this he lodged a copy of *The Age "Green Guide"* which advertised both hardware and software side by side. He submitted that computer hardware and software were goods of the same description or closely related and he referred to *Shanahan* pp 277-278 regarding the exercise of the Registrar's discretion in favour of the opponent.

Ms Freeman submitted that the evidence established a prima facie case of non use. The applicant had encountered difficulties in the gathering of evidence mainly due to the limited marketing and advertising channels used by the opponent, and the non-recordal of

the opponent's change of address. Nevertheless, traders *were* canvassed and consumers seeking to buy Freedom software would experience the same difficulties as the enquiry agents had. She said that consumers were aware of the differences between hardware and software, and they were likely to take care in selection of these goods especially given the costs involved. There was some ambiguity in the term "systems" and it was unclear whether it covered hardware. Certainly, if the mark had not been used on hardware, then the Registrar's discretion should not be exercised to allow it to remain on the Register for those goods. Here she referred to the *Electrolux Ltd v Electrix* case, *supra*, where the mark was restricted to exclude floor polishers even though it had been used on vacuum cleaners which had been conceded by the court in that case to be goods of the same description. Here the Registrar had the opportunity to remove or qualify an ambiguous term, viz. "systems". If that word in this instance referred to software, then it should be limited to those goods.

Decision

It is clear in the present case that the applicant is a person aggrieved by the registration of the opponent's mark. It has applied for the mark FREEDOM in respect of computer hardware goods and an examiner's objection under s.33 has been taken citing the present mark as a bar to registration. This conflict with the opponent's mark is sufficient to make the applicant a person aggrieved. In this respect, the words of Kitto J. in *Continental Liqueurs Proprietary Limited v G.F.Heublein and Bro. Incorporated*, 103 CLR 422 are relevant.

The onus to establish that there has been no use of the mark lies with the s.23 applicant. In deciding whether the applicant has discharged this onus, I have considered the words of Windeyer J. in the *Estex* case, *supra*, where he said at p.259:

Slight evidence may suffice at this stage, for 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.

The evidence in support of the s.23 application comprises declarations by two enquiry agents. Dr Stearne has submitted that I should disregard these entirely given the comments of Windeyer J in the *Estex* case, *supra*, where his honour said:

If persons who, *by reason of their connexion with the relevant trade...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 the prima facie evidence of the fact which the applicant must prove. (Emphases added)

He said that the declarants were not in the trade but were private investigators, and that those interviewed who were in the trade and had no knowledge of the mark had not sworn to this effect. However, as an administrative tribunal, the Registrar can take into account hearsay evidence and award it due weight in coming to any conclusions in the matter. The first of the declarations, that of Mr Keith, told of a visit to the offices of a company called Interface Technology of Australia and also listed a series of attempts by him to find use of the mark FREEDOM by the opponent. The second by Mr Ritchie covered the report of a fruitless attempt to find the location of the opponent's office. In the Ritchie declaration, the investigator's task was not made easy by the opponent's failure to change its address on the Register. However, he did eventually locate the address where the opponent carried out his business as confirmed by the Allison declaration which forms the opponent's evidence in answer. The fact that the premises had no signs outside is not overly surprising given the way the opponent carries out its

business as outlined by Mr Allison, and that the opponent was lax in notifying its change of address is not fatal in its defence of the mark.

With respect to the Keith declaration, the reason for the visit to the premises of Interface Technology of Australia is not explained and, as submitted by Dr Stearne, that company does not appear to have any connection with the opponent. The enquiries made with other companies regarding the use of the mark by the opponent have some severe shortcomings. The alleged period of non-use under s23 (8 July 1987 to 8 July 1990) is not addressed by any of those interviewed. In fact, the interviews took place pre-September 1989, at least ten months before the end of the period in question. In only one case did the agent speak with a person identified as occupying a responsible position in his company. Of the five different people interviewed, only one had stated how long he had been in the industry and, in two of the instances, the interviewees were not identified by surname. In the summary by Mr Keith he makes a statement which appears to deliver the *coup de grace* to the applicant's case that, "The name 'Freedom' in association with computer products, is in current use." Taking all of the above into consideration, and despite being mindful that only "slight evidence may suffice" I must conclude that the applicant has failed to make out a prima facie case of non-use of the mark by the opponent for all the goods of the registration.

Conclusion

The application for removal has not been successful, and I refuse it. The opponent is entitled to its costs in accord with the Official scale and I so award them.

Ian Forno

Hearing Officer
30 June 1992