TRADE MARKS ACT 1995

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

Re: Opposition by Freelane Systems Pty Ltd to an application by Ray Stuart to remove trade mark number 430911 - FREELANE - from the Register of Trade Marks.

Trade mark registration 430911 is the word FREELANE. It is registered in class 20 for:-

> *furniture, shop fittings, shop furniture, fittings for display and storage of clothing and other goods, racks, racking, shelves, shelving; parts and fittings for all the aforesaid goods in this class; and all other goods in class 20 not being or in the nature of demountable office partitioning for use primarily as internal walls in buildings;*

and it stands in the name of Freelane Systems Pty Ltd (hereafter Freelane Systems).

Removal details

On 29 March 1996, Griffith Hack & Co (now Griffith Hack), a Melbourne firm of patent and trade mark attorneys, applied, on behalf of Ray Stuart of Victoria Street, North Melbourne, and under the provisions of section 92 of the *Trade Marks Act 1995*, to have 430911 removed from the Register of Trade Marks. Mr Stuart is stated to be a person aggrieved. The application is made in terms of section 92(4)(b) on ground that for the period 28 February 1993 to 29 February 1996 (the relevant period) Freelane Systems did not use the trade mark FREELANE on any of the goods for which 430911 is registered. An accompanying declaration made by John Hawker, a legal practitioner with Griffith Hack, states that Mr Stuart is the proprietor of the business name "Freelane Australia". He trades under that name and has a pending application for registration of the trade mark FREELANE which is obstructed by the subject trade mark. This prevents Mr Stuart from confidently

expanding his business. Mr Stuart has been involved in the shop fitting industry for many years, has a significant knowledge of the industry, and has conducted investigations both within the trade and with significant customers such as Myer and David Jones. Mr Hawker declares that these inquiries have not revealed any use of the subject trade mark by Freelane Systems in the relevant three years.

The Registrar was satisfied that the application was in an approved form, that the requirements of regulation 9.1 had been met, and that, in accordance with section 93.(2), the removal application was filed (29 March 1996) more than five years after application number 430911 was filed (31 July 1985).

Accordingly, as required by section 95.(2), the Registrar advertised the removal application in the *Official Journal of Trade Marks* on 26 April 1996. In the event of no opposition the Registrar, as directed by section 97, would then have been obliged to remove the mark.

Opposition details

Within the three months prescribed by regulation 9.3, however, a notice opposing the removal application was filed by the registered owner of the trade mark, Freelane Systems. This opposition was supported by evidence consisting of one declaration deposed by William Oscar Mackay, a resident of Lower Plenty in Victoria. The removal applicant, Mr Ray Stuart, responded with two declarations as evidence in answer - one by Geo Domes, an architect with Geo Group Pty Ltd of St Kilda, Victoria; and a second by Kelvin Blair, a director with Jack Vogt (Aust) P/L of Campbellfield, Victoria. Freelane Systems served no evidence in reply.

Hearing

On application by Griffith Hack on behalf of Mr Stuart, the removal application came to a hearing before me in Melbourne, on 1 June 1998. The opponent, Freelane Systems, submitted short written submissions and was not otherwise represented at the hearing. The removal applicant, Mr Stuart was represented by Mr John McCormack, a member of the firm of Griffith Hack. At the commencement of the hearing I explained this situation to Mr McCormack and I provided him with a copy of Freelane Systems' written representations.

At a suitable point in proceedings I briefly adjourned the hearing in order for Mr McCormack to consider the substance of these submissions.

Application for permission to serve further evidence

Mr McCormack commenced his submissions by producing a collection of items which he said went to establish Mr Stuart's standing as a person aggrieved. This included articles from various publications, a number of brochures and sundry commercial records (including account books). Mr McCormack submitted that I should consider this collection, and if, in due course I decided that it should be regarded as evidence, he would, on behalf of Mr Stuart, and at some later time, apply for leave to serve further evidence.

An application for leave to serve further evidence is governed by regulation 5.15. The regulation states:

> *5.15. (1) A party to the opposition proceedings may apply to the Registrar:*
>
> *(a) for an extension of the period for serving a copy of the evidence under regulation 5.7, 5.10 or 5.12; or*
>
> *(b) for permission to serve a copy of further evidence on the other party*
>
> *(2) The Registrar may grant an application on reasonable terms specified by the Registrar*
>
> *(3) The Registrar must not grant an application unless the Registrar:*
>
> *(a) is reasonably satisfied that the applicant has served a copy of the application, and of any documents accompanying the application, on the other party; and*
>
> *(b) has given the parties a reasonable opportunity to make representations concerning the application; and*
>
> *(c) is reasonably satisfied that:*
>
> *(i) ...*
>
> *(ii) in the case of an application to which paragraph (1)(b) applies — permission to serve a copy of further evidence;*
>
> *is appropriate.*
>
> *(4) For the purposes of paragraph (3)(b), the representations may be made in writing or at a hearing or by such other means as the Registrar reasonably allows.*

Under the repealed *Trade Marks Act 1955*, in line with case law, particularly *Ladd v Marshall*[1], applications for leave to adduce further evidence were considered under three basic headings. These are first, the reason why, with due diligence, the evidence was not produced within the time provided by the regulations; second, the importance of the evidence; and third, the credibility of the evidence. I see no reason why these criteria should not continue to serve as a guide in determining whether I am reasonably satisfied that an application filed under regulation 5.15(1)(b) of the *Trade Marks Act 1995*, is appropriate.

In considering the submission made by Mr McCormack, I must first, however, comment on his claim that an application for permission to serve further evidence may be made at any time, including after a hearing. This, he said, was well established, but he referred me to no legislative provisions and no precedent. I look then to regulation 5.15. These provisions, I would agree, do not specify a time within which an application for leave to serve further evidence, may be filed. However, the general requirements on the Registrar is that he must not decide an opposition to removal without giving the parties to the opposition, an opportunity to be heard. Once having allowed that opportunity, there is neither provision nor requirement for the Registrar to re-open proceedings in order to considering some later request for leave to serve further evidence. On reflection Mr McCormack reconsidered his strategy and, at the hearing, made an oral request for permission to serve further evidence.

The submissions supporting this request may be shortly dealt with. First of all, the explanation of why the material had not been made part of the evidence in answer was nothing more than a bald statement from Mr McCormack that the material had only just come into his possession. This might well be an accurate reporting of the facts. It is not, however, a satisfactory account of why, with due diligence, the material was not produced and served within the time provided under regulation 5.9. Second, there is no challenge to Mr Stuart's standing as a person aggrieved, and therefore the evidence proposed to be served is not likely to be significant. Third, the material comprising the evidence was in various formats - some was hand written, some photocopied, and there were some

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1 *Ladd v Marshall* [1954] WLR 1489

published articles. None, however, was presented in declaratory format and credibility, to some degree at least, is therefore open to challenge.

In any application for an extension of time there is onus on the applicant to make out a proper case[2]. A grant of time to serve further evidence, however, necessitates providing the other party with time to respond. When that application is made at the hearing it will usually bring about an adjournment. Applications of this kind therefore need to be supported with sufficient reason to justify the delays and inconvenience caused by such a late, and indeed often unexpected, turn of events.

Mr McCormack did not make out his case. He had no satisfactory explanation of why the application was made so late in the day, he failed to show that the evidence was significant, and, moreover, credibility was not assured. At the close of the hearing, however, Mr McCormack withdrew the application in respect of all but one document. Subsequently, he notified me that he withdrew the request altogether. Had he not done so, I would have refused his application for leave to serve further evidence.

Onus

Under the *Trade Marks Act 1995* the burden lies on the opponent to establish use of the trade marks. Section 100 states:-

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

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[2] *Vangedal-Nielsen and others v Smith (Commissioner of Patents) and another*, 33 ALR 144 per Bowen CJ at 150,

Opponent's evidence

The opponent, Freelane Systems, here relies on the evidence of one declaration - the Mackay declaration. It is a brief and it is convenient to quote the text in full. It reads:

> *Freelane Systems Pty Ltd has used the trade mark "FREELANE" continuously for the last 3 years as demonstrated on the attached copied of 3 invoices and copy of correspondence to one customer. The 3 invoices were chosen as Ray Stuart was aware of Freelane Systems P/L sales to these customers. There are other customers which Stuart is not aware of who have been sold "FREELANE" systems.*
>
> *More "FREELANE" fixtures will be delivered to a customer in Oct 1996.*
>
> *Freelane Systems P/L will continue to use "FREELANE" in the future.*

Mr Mackay is a director of Freelane Systems. His declaration is dated 2 October 1996. Four documents are attached.

First is a short letter addressed to:

Boys Family Dept Store	dated 7 May 1996.

Second are three invoices. These are addressed to:-

Barrett Shopfitting	dated 24 October 1994
Young World	dated 1 March 1996
Boys Family Department Stores	dated 21 May 1996.

The relevant period in which Mr Mackay is required to demonstrate that he used his trade mark FREELANE is the three years from 28 February 1993 to 29 February 1996. The letter to Boys Family Dept Store, and the invoices to Young World and to Boys Family Department Stores all fall outside this period and therefore do not relate to use in the critical three years. Only one invoice, the invoice to Barrett Shopfitting, comes within this period. This invoice, however, does not show any sales. It is numbered 00000 (as so indeed are the invoices to Young World and Boys Family Departments Stores) and whatever may have appeared in the body of the invoice has now, apparently, been masked out. Blank invoices

are not evidence of any sales. For the record I make note of the fact that the invoices to Young World and Boys Family Departments Stores are also blank.

The Mackay declaration is thus not evidence of any use. There is nothing other than Mr Mackay's unsupported allegation. He assert that the three invoices and the one piece of correspondence demonstrate that Freelane Systems used the trade mark FREELANE in the relevant three years, but he is wrong. To demonstrate use there must be records of sales, and his invoices show no records at all. If sales were ever recorded on these invoices they have been completely blocked out. Any value which may have been disclosed in the original of the invoices, has now been rendered void with the result that the one invoice that refers to activities in the relevant time is of no value at all in rebutting the allegation of non use.

There is nothing further for me to consider in terms of the opponent's evidence.

Turning, however, to Mr Mackay's written representations. These representations challenge the ability of both Mr Blair and Mr Domes to provide the evidence of their respective declarations. The Blair and Domes declarations make up the applicant's evidence in answer. They comprise statements attesting to the deponents' knowledge that Freelane Systems has not used the trade mark FREELANE. I have not had cause to take this evidence into account. Mr Mackay alleges that the nature of Mr Blair's work is such that he is not in a position to notice if a trade mark is applied to the furniture or shop fitting. He then submits then that Mr Domes is an architect, and that on Mr Dome's own assessment and recommendation, architects have limited knowledge of shop fittings and should not be consulted on the subject.

I might comment to start with that, as evidence in answer, the Blair and Domes declarations are of dubious worth because they are not directed to answering Freelane Systems' supporting evidence. I am not prepared to give them weight and hence these submissions from Mr Mackay, are little more than academic. More importantly, these submissions are not pertinent to the burden of the opposition which is to show that, in the relevant period, Freelane Systems used the trade mark FREELANE on the goods nominated in the trade mark registration.

Decision

I have found that the application to remove this trade mark is in accordance with the provisions of Part 9 of the Act and that the opponent, Freelane Systems, has failed to discharge the burden of showing that within the relevant time, it made any use of the trade mark FREELANE on any of the goods nominated in the trade mark registration. There is nothing before me to establish that the provisions of subsection 100.(3) apply, or that, in an exercise of discretion provided under subsection 101.(3), I should decide not to remove this trade mark from the Register.

I therefore dismiss the opposition to the removal, and, subject to any appeal, direct that trade mark number 430911 is to be removed from the Register.

The provisions of section 221 empower the Registrar to award costs in respect of inter parte matters, and in the amounts, provided for in the regulations. In this matter neither side made any application for costs. Accordingly, and mindful of the hearing time taken up in the ultimately withdrawn request for permission to serve further evidence, I consider it appropriate not to make an award.

Helen R. Hardie
Deputy Registrar

8 July 1998