



TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Application for an Award of Costs by CHANEL LIMITED in the Matter of Opposition by CHANEL LIMITED to Application No 442448 in the Name of SATELLITE TELEVISION PLC

Notice of opposition to application no. 442448 in the name of SATELLITE TELEVISION PLC ("the applicant") was lodged on 1 March 1989 by CHANEL LIMITED ("the opponent"). Service of the opponent's evidence in support of the opposition was effected on 28 August 1990. The applicant requested several extensions of time to serve its evidence in answer and finally by letter dated 1 July 1991 confirmed that the application had been withdrawn following the negotiated settlement of a concurrent opposition by SKY CHANNEL PTY LTD. By letter dated 19 June 1991 the applicant's attorneys had in fact advised the Registrar that they had received instructions to withdraw the application pursuant to a deed of settlement between the applicant and SKY CHANNEL PTY LTD. On 3 October 1991 the attorneys for the opponent lodged a bill of costs stating that no agreement as to costs had been made between the opponent and the applicant prior to the withdrawal of the application. On 7 November 1991 the applicant's attorneys lodged objection to the award of costs to the opponent supported by written submissions. As a consequence of the applicant's objection the matter was set down for hearing. Neither party appeared at the hearing but requested that written submissions be taken into account.

Mr Gerard Skelly of Spruson & Ferguson made various submissions on behalf of the applicant as to the merits of the opposition being based as it was on the reputation of the opponent in the trade mark CHANEL and on the registration of that trade mark in respect of the relevant goods. He also reiterated that the withdrawal of application 442448 was solely the result of the settlement of the opposition by SKY CHANNEL PTY LTD. Mr David Wilson of Shelston Waters made written submissions on behalf of the opponent stating that the applicant had initially offered to withdraw its application on the basis that each party would bear its own costs but that in consideration of forgoing its costs the opponent had sought an undertaking from the applicant that it would not use its mark in relation to various goods of interest to the opponent. He went on to state that the applicant then wrote to the Trade Marks Office on 19 June 1991 withdrawing its application on the basis that each party bear its own costs and that then it, the opponent, forwarded a letter of objection on 8 July 1991 as no such agreement had been reached. He referred to a decision of the Registrar in the matter of an application by Entourage International, Inc. and opposition by Chanel Ltd in which an award of costs was made to the opponent in what he submitted were similar circumstances. He also submitted that the fact that the applicant could justify withdrawing its application in another way could not be seen as reducing the reasonableness of the opponent's claim for costs.

I do not think it is necessary to enter into the merits of the opposition by the present opponent in order to decide the matter in hand. There is a presumption, in the absence of argument or evidence to the contrary, that if an applicant withdraws its application the opponent has been successful to that extent and is entitled to its costs in the matter:

Tattilo Editrice S.p.A. v Playboy Enterprises Inc. (1986) AIPC ¶90-349. In this case the applicant has presented argument in an effort to rebut that presumption. It has argued that the application was withdrawn solely as a result of a settlement with another opponent

and that therefore the present opponent has not been successful even to the extent of persuading it not to proceed with the application. SKY CHANNEL PTY LTD stated in its notice of opposition that it was the proprietor of the trade marks SKY and SKY CHANNEL which had been used extensively in Australia prior to the date of filing of the applicant's application. It is now the registered proprietor of a number of marks consisting of the word SKY and the words SKY CHANNEL in connection with television apparatus and film and television services. It is true that the applications to register those marks are dated later than the application here in issue and there is no evidence as to the actual use, if any, of those marks. Nevertheless, it is a fact that the letter withdrawing the application and dated 19 June 1991 to which Mr Wilson referred quite clearly refers to the opposition by SKY CHANNEL PTY LTD. There is no record of the letter of objection dated 8 July 1991 also referred to by Mr Wilson. The letter from the applicant to the Registrar of 1 July 1991 in reference to the CHANEL opposition was simply a confirmation that the application had already been withdrawn as a result of the agreement with SKY CHANNEL. In these circumstances I think that the applicant has succeeded in rebutting the presumption mentioned above and shown that the withdrawal of the application was in no way a direct result of the opposition by CHANEL. This is quite different from the situation in the case of the opposition by Chanel to the application of Entourage International, Inc.

My decision therefore is that I make no award of costs to the opponent. As there is no evidence before me as to the negotiations between the parties which would enable me to rule on Mr Skelly's submission that costs should rather be awarded to the applicant because of the unreasonable demands of the opponent I consider it appropriate that, subject to any agreement between the parties themselves, each side should bear its own costs.

Michael Homann
Hearing Officer
28 July 1992