



TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

**Re: Opposition by VECTOR AEROMOTIVE CORPORATION to Trade Mark Application No.
462849 in the Name of NISSAN MOTOR CO. (AUSTRALIA) PTY. LTD.**

Trade mark application no. 462849 was lodged on 3 April 1987 in the name of NISSAN MOTOR CO. (AUSTRALIA) PTY. LTD ("the applicant"), a company incorporated in the State of Victoria. It sought the registration of a series of trade marks pursuant to s39 of the Act consisting of the words VECTOR and NISSAN VECTOR in respect of a specification of goods which following subsequent amendment now reads "Motor vehicles, parts and accessories included in this class for motor vehicles but excluding motor vehicle tyres". Following an examiner's objection that the two nominated marks did not constitute a series for the purposes of s39 the second of the marks was deleted from the application which is now therefore for the word VECTOR alone.

The application was advertised as accepted in the *Official Journal* of 20 January 1990 and on 18 April 1990 notice of opposition to the registration of the trade mark was lodged by VECTOR AEROMOTIVE CORPORATION ("the opponent"), a United States corporation, pursuant to s49 of the Act. Service of evidence by the parties was completed on 4 July 1991 and a hearing of the matter was set down for 15 September 1992 in Melbourne. The opponent was represented by Mr Barry Hess of counsel. Mr Bruce Caine also of counsel appeared for the applicant. It was common ground between the parties that the central issue to be decided was the proprietorship of the trade mark VECTOR and that the relevant date at

which that question was to be decided was the date of lodgment of the applicant's application for registration of the trade mark: *Southern Cross Refrigerating Co. v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592. It will therefore be convenient at this point to summarize the evidence of the use of the mark by both parties.

the evidence

The opponent's evidence consists of an affidavit by Gerald A. Weigert together with exhibits. Mr Weigert states that he formed the opponent's predecessor, Vector Car, in 1978 and the present opponent company, of which he is the president, in 1987. He states that the trade mark VECTOR is registered in the United States in respect of automobiles since 1985, the application having been lodged in 1982. That registration was assigned by the opponent's predecessor to Mr Weigert. He further states that since 1982 considerable time and effort has been spent in the development and building of a very expensive high performance motor car. In view of the expense and limited production only a small number of the cars had been produced but the car was well known among high performance car enthusiasts and publicity had taken place in Australia and other countries in television programmes and motoring magazines with a wide circulation in Australia. Exhibit GW1 consists of a copy of an article from a publication dated May 1984 and bearing the words "Modern Motor" which Mr Weigert says he believes to have circulated in Australia. Exhibit GW2 consists of a video cassette of a television programme "Towards 2000" which Mr Weigert says was shown nationally in December 1985 together with a book entitled "Beyond 2000 Book Two" which was published in Australia in 1987. Both of these show the motor vehicle performing and include detailed comments on the performance and construction of it. Exhibit GW3 is a copy of an undated article from a publication entitled "Road & Track". Mr Weigert goes on to declare that the opponent is the author of the trade mark VECTOR in Australia in respect of a high performance motor vehicle that has been actively promoted and offered for sale in Australia since at least May 1984 to the present and that expressions of interest had been received from several persons in Australia as to information and possible purchase of the opponent's motor car. Exhibited to the declaration as GW4 is an unsigned letter addressed to Vector Car Company in California from a Mr Ralph D'Apice of South

Australia. Mr D'Apice refers to the a magazine article article and asks to be sent "information and any relevant photos etc on your latest model or models and price range". Exhibit GW5 consists of copies of articles from various European motoring magazines predating the lodgment of the application. Mr Weigert also states that the car had been exhibited in overseas countries, notably West Germany.

The applicant's evidence in answer to the opposition comprises a statutory declaration by Angus Edward Paine, company secretary of the applicant, as well as declarations by six persons engaged in various occupations associated with the motor vehicle industry. Mr Paine states that the trade mark VECTOR was adopted by the applicant in late 1986 for use with its PULSAR range of vehicles. At that time the applicant was not aware of any use in Australia of the mark VECTOR in relation to motor vehicles and indeed Mr Paine was not aware of any use since then except by the applicant itself. In March 1987 a search of the official trade mark records was carried out by the applicant's patent attorneys and failed to reveal any bar to the use of the mark by the applicant. The application for registration was lodged on 3 April 1987 and the VECTOR models were released to the public in November 1987. Since then vehicles bearing the mark have been extensively advertised and sold throughout Australia. Exhibited to the declaration are copies of press and magazine articles, sample advertisements, company newsletters and other promotional material including a video cassette of television advertisements. He also exhibits a copy of an article from an American magazine "Automania" dated May 1990 which refers to the first production models of the opponent's car arriving at the New York Auto Show "last month". The six trade declarants all state that they do not associate the trade mark VECTOR with any person other than the applicant.

The opponent's evidence in reply consists of an affidavit by Leon Rosenfield who describes himself as "VP/Circulation" of Hachette Magazine, Inc. which is the publisher of "Road & Track" magazine. He goes on to state that the March 1991 issue of that magazine contained a cover story on the opponent's automobile. A copy of the issue in question is exhibited to the affidavit as R&T1. Mr Rosenfield further states that the distribution of the magazine in Australia consists of 2,150 newsstand sales and 464 subscription sales, a total of 2,614 magazines.

submissions

Mr Hess submitted that as the issue was one of the proprietorship of the mark in suit all of the applicant's evidence was irrelevant since it related to events after the date of lodgment of the application, 3 April 1987. He further pointed out that Mr Paine's declaration is dated 23 October 1990 at which time he has stated that he had been associated with the motor vehicle industry for two years. He was not therefore in a position to make authoritative statements as to events prior to the lodgment of the applicant's application. Mr Hess made various criticisms of the trade declarations but relied on one of them to support the opponent's case of prior use of the trade mark in suit. This is a declaration of Bradley James Leach who states that he is a journalist with many years experience as a motoring writer in Australia and during the years 1984-88 was employed as a motoring journalist by "Modern Motor" magazine in Australia. He states that he first became aware of the trade mark VECTOR in Australia in late 1987 in connection with the launch of the PULSAR range of sedans and associates the trade mark VECTOR with the applicant. He goes on to state that he is aware of a VECTOR W2 high performance sports car in the United States of America through material published in "Modern Motor" magazine during his time there. He understands that the material was written by journalists in the USA but is not aware of any sales activity in Australia in relation to that vehicle and does not believe that there has been any use of VECTOR as a trade mark in Australia apart from the applicant's. Mr Hess argued that this confirmed the evidence in support that the vehicle was available to be ordered from Australia and that there was therefore an offer to trade in the goods which constituted use as a trade mark in Australia: *Moorgate Tobacco Co Ltd v Philip Morris Ltd and Anor* 3 IPR 545; *Re the Registered Trade Mark "Yanx"*; *ex parte Amalgamated Tobacco Corporation Limited* 82 CLR 199. This was further confirmed, he argued, by Exhibit GW2 to the Weigert declaration which consists of an extract from an article entitled "VECTOR W2 SPEED-MERCHANT'S DREAM MACHINE" included in "Beyond 2000 Book 2" which contains a list of technical specifications of the car including a purchase price of US\$149,500. This publication as well as the television programme "Towards 2000" which was shown nationally in December 1985 contain no indication that the opponent's vehicle was a prototype that was not available for sale. This all pointed to the fact, in Mr Hess' submission, that the car was available to be ordered from Australia. Mr Hess went on to refer to para 12 of the Weigert declaration in which he

declares that "expressions of interest" had been received from a Mr Ralph D'Apice of South Australia "and several others in Australia as to information and possible purchase" of the Vector motor car. Mr D'Apice's letter is exhibited as GW4. It consists of what appears to be the original, though unsigned, of a letter addressed to the "Vector Car Company" at an address in Venice, California. The letter goes on:

"Recently I saw an artical (sic) in a 1985 MODERN MOTOR PERFORMANCE CARS. I was very impressed by your Vector W2 Twinturbo. Could you please send me information and any relevant photos etc on your latest model or models and price range."

There follows the name Mr Ralph D'Apice and an adress in Mansfield Park, South Australia. This letter bears the date 23rd September 1987.

Mr Caine submitted that the question at issue was the proprietorship of the trade mark VECTOR and that the relevant date for deciding the question was the date of lodgment of the applicant's application. It was not necessary for the applicant to show that it was the inventor of the mark and in the absence of fraud even extensive use of the mark overseas would not defeat the applicant's claim to proprietorship: *Aston v Harlee Manufacturing Company* 103 CLR 391; *The Seven Up Company v O.T.Limited and Anor* 75 CLR 203. Mr Caine further submitted that the use relied on must be relevant use in the sense that it must be use as a trade mark. In order to fulfil that condition the use must be in the course of trade as required by s6 of the Act. He argued that the use relied on by the opponent was not use in that sense but simply the dissemination of information. The magazine articles referred to were not genuine advertising in an attempt to solicit custom but merely product reviews by third persons unrelated to the opponent. The references to the price of the car were nothing more than sensationalism on the part of the authors and in any case were in US dollars. There was no explanation of the reference in Mr D'Apice's letter to an article in a 1985 magazine. This article was not in evidence and could not be the one at Exhibit GW1 which was dated May 1984. In any case the letter was addressed to Vector Car Company which was not the opponent in the present proceedings. The publication details of the book "Beyond 2000" showed that it was published in 1987. There was no evidence that that occurred before the lodgment of the application in April of that year. The television programme dealt with advanced technology and was in no sense an advertisement for

the opponent's vehicle. Again, there was no evidence as to where or when Mr D'Apice "recently" saw the magazine article, or whether that occurred in Australia or overseas. The letter was dated 23 September 1987, some six months after the date of lodgment of the application, and in any case was no more than a request for information to which there was no evidence of any response. There was no correspondence to suggest that there was any offer to trade in the goods and Mr Weigert himself was silent on the matter. The Rosenfield declaration was quite irrelevant since it referred to matters well after the date of application.

decision

In *Settef SpA v Riv-Oland Marble Co (Vic)* (1987) 10 IPR 402 McGarvie J at first instance explained the concept of proprietorship as follows:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: *Re Registered Trade Mark "Thunderbird"* (1974) 48 ALJR 456; *Re The Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 203; *Ltd* (1974) 131 CLR 592 at 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* 59 ALJR 77 at 83. A person who becomes proprietor of a trade mark in this way is entitled at common law to restrain a person who later commences to use the trade mark.

...

In considering who, within s.40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: *The Shell Co of Australia Ltd v Rohm & Haas* (1949) 78 CLR 601 at 625 and 627. Settef claims to be the first person to have used the trade mark in Australia and therefore to have been proprietor at common law in Australia.

Use of the trade mark by Settef overseas gave it no right to proprietorship in Australia. Any use at all in Australia gave it that proprietorship: the *Thunderbird* case (1974) 131 CLR 592 at 600.

The fact that a manufacturer is proprietor of a trade mark overseas and has earlier used it overseas does give it a forensic advantage in a contest between it and an Australian distributor who claims proprietorship of the trade mark. There is authority that a court will regard slight use in Australia by the overseas proprietor as sufficient to give it proprietorship of the trade mark in Australia: *The Seven Up Co v O T Ltd* (1947) 75 CLR 203 at 211; *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 at 400; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* 59 ALJR 77 at 83."

The right to claim proprietorship of a mark within the meaning of s.40(1) therefore depends on first use of the mark in Australia. The meaning of the word "use" in the Act (and there is no relevant difference between the concept of use at common law and that used in the Act) is to be understood in the context of the definition of "trade mark" in s.6(1) of the Act: *W D & H O Wills (Australia) Ltd v Rothmans Ltd (1956) 94 CLR 182 at 191*; *Estex Clothing Manufacturers Pty Ltd v Ellis & Goldstein Ltd (1967) 116 CLR 254 at 271*. That definition is as follows:

"trade mark means -

- (a) except in relation to Part XI, a mark used or proposed to be used in relation to goods or services for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the goods or services and a person who has the right, either as proprietor or as registered user, to use the mark, whether with or without an indication of the identity of that person ; ...

The word "use" itself is defined in s.6(2) as follows:

- (2) In this Act -
 - (a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark; and
 - (b) references to the use of a mark in relation to goods shall be construed as references to the use of the mark upon, or in physical or other relation to, goods.

It is essential therefore that the use relied on by a person claiming proprietorship of a mark be use for the purpose of indicating or so as to indicate a connection in the course of trade between the relevant goods and that person. As to the use of the mark by an overseas manufacturer exporting goods to Australia Windeyer J. observed in the *Estex* case (supra) at 271:

"When an overseas manufacturer projects into the course of trade in this country, by means of sales to Australian retail houses, goods bearing his mark and the goods, bearing his mark are displayed or offered for sale or sold in this country, the use of the mark is that of the manufacturer."

What constitutes a connection in the course of trade for establishing prior use of a mark in Australia was discussed by the High Court in *Moorgate Tobacco v Philip Morris* 3 IPR 545 at 557:

The court was referred to a large number of cases and to some administrative decisions in which consideration has been given to what constitutes a use or user of a trade mark for the purposes of the statutory notion of proprietorship of the mark before registration. The cases establish that it is not necessary that there be an actual dealing in goods bearing the trade mark before there can be a local use of the mark as a trade mark. It may suffice that imported goods which have not

actually reached Australia have been offered for sale in Australia under the mark (*Re Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corporation Ltd, supra*, at 204-5) or that the mark has been used in an advertisement of the goods in the course of trade (*Shell Co of Australia v Esso Standard Oil (Australia) Ltd, supra*, at 422). In such cases, however, it is possible to identify an actual trade or offer to trade in the goods bearing the mark or an existing intention to offer or supply goods bearing the mark in trade. In the present case, there was not, at any relevant time, any actual trade or offer to trade in goods bearing the mark in Australia or any existing intention to offer or supply such goods in trade. There was no local use of the mark as a trade mark at all; there were merely preliminary discussions and negotiations about whether the mark would be so used.

In order to establish use in the relevant sense then it must be possible to identify an actual trade or offer to trade in the goods bearing the mark or an existing intention to offer or supply goods bearing the mark in trade. In the *Moorgate* case the Court found that there had been no actual trade or offer to trade in goods bearing the mark in Australia or any existing intention to offer or supply such goods in trade. There was no local use of the mark as a trade mark at all; there were merely preliminary discussions and negotiations about whether the mark would be so used. In the present case likewise it is not possible to identify a single instance of an actual trade or an offer to trade in the opponent's product. Mr Weigert is not able to say that any vehicles were sold to customers in Australia or point to any examples of advertising of the goods directed to the Australian market. All he can claim is several "expressions of interest" from unidentified persons in Australia along with Mr D'Apice whose letter is dated some six months after the date of lodgment of the applicant's application. The other instances of use relied on by the opponent are in no sense relevant use as a trade mark. They consist of articles and a television programme produced by persons unconnected with the opponent for the purpose of conveying information and not for the purpose of promoting trade in the goods concerned.

conclusion

The result of my finding that there had been no use as a trade mark of the word VECTOR in relation to motor vehicles by the opponent before the date of the application by the applicant for registration of the same mark is that the opposition is dismissed. I therefore direct that if there is no appeal from this decision the applicant's trade mark proceed to registration. I award costs to the successful applicant.

Michael Homann
Hearing Officer

28 May 1993