



TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Opposition by KEITH RHETT SAMPSON to an application by PACIFIC TELESIS GROUP for an extension of time within which to lodge notice of opposition to trade mark application number 524911

Application number 524911 was lodged by KEITH RHETT SAMPSON (Mr Sampson) on 11 December 1989 for the mark PACTEL and the statement of services ultimately amended to read "Telecommunication services" in Class 38. The mark was advertised as accepted on 4 June 1992.

Section 49 of the Act provides that a person wishing to oppose the registration of such an application may do so within three months of the date of advertisement by lodging a written notice of opposition specifying the grounds on which registration is opposed. The same provision also allows for extension of the initial opposition period by a further time not exceeding three months, stipulating only that any such application to extend the time allowed must be made within the initial three month period.

On 4 September 1992, PACIFIC TELESIS GROUP (Pacific), lodged such an application through its attorneys, Spruson & Ferguson, Sydney, seeking to extend the time to lodge opposition from 4 September 1992 to 4 December 1992. The reason given for requesting the additional time was:

Pacific Telesis Group is the assignee of worldwide rights in the trade mark PACTEL from Planning Associates for Computers and Telecommunications. The proposed Opponent however requires further time within which to consider its position in

Australia specifically and, if possible, obtain further information from its predecessor in title.

On 25 September 1992, Mr Sampson advised that he wished to object to the granting of extension sought. A hearing to resolve the matter was set down before me as the Registrar's delegate in Sydney on 23 October 1992. Mr Sampson appeared on his own behalf, while Ms Kate Johnston of Spruson & Ferguson appeared on behalf of Pacific, the applicant for the extension.

Mr Sampson began by outlining the reasons for his objection to the extension sought, the main points of which I believe to be as follows.

Mr Sampson referred to a quote in *Shanahan's* book, *Australian Law of Trade Marks and Passing Off* where he said, "...an extension does not lie as a matter of right...", submitting that the Registrar should consider the present case on its merits and the facts. He said that the decision in *Vangedal Nielsen v Commissioner of Patents* (1980) 33 ALR 144 was relevant, where Bowen CJ stated that the Registrar should give consideration to a (prospective) opponent's interests who *for some good reason* (Mr Sampson's emphasis) could not mount his opposition within the initial period. Mr Sampson said that the grounds advanced by Pacific were not the "good reasons" necessary to obtain an extension. He said that he believed Pacific's potential opposition was vexatious in that he had not found any evidence in the Australian market place of Pacific trading in the services in question. Pacific was a regional telephone company operating in the USA and was prevented by Commonwealth legislation from operating as a telecommunications carrier in Australia until 1997. He alleged that Pacific had known of his use of the mark since at least September 1989 through unofficial contacts, and his own public registrations (presumably business name registrations and trade mark lodgments) and his declared use of the mark. He disputed that Pacific was "the assignee of worldwide rights" in the trade mark saying that such rights did not exist. He said that there was some doubt regarding the trade mark ownership of the word PACTEL by

Pacific's predecessor in title, Planning Associates for Computers and Telecommunications (PA), who had abandoned use of the word PACTEL in the early 1980s.

Mr Sampson said that Pacific's reason for seeking the extension, that they required further time "within which to consider its position..." was outside the intent of the provision in the legislation for extra time. He submitted that Pacific's application was intended to delay his own registration for their own expedient reasons. There had been no applications for the trade mark PACTEL prior to his own and the potential opponent was not trading in the mark's services in Australia, whereas he had been doing so under the mark for over three years. He referred again to the *Vangedal* case, supra, and the words of Bowen CJ regarding the need for proper reasons to grant extensions and "the desirability of operating the system efficiently and without unreasonable delays and the interests of the applicant...".

In reply, Ms Johnston restated Pacific's reasons for seeking the extension. She said that PA was part of a group of companies, the parent of which was the UK company PA Holdings Limited. The UK company, either by itself or through a number of affiliated companies, had used the mark PACTEL in connection with telecommunication goods and services in many countries for a number of years and, as at 1 January 1987, the trade mark PACTEL was registered in at least 14 countries. Additionally, affiliated companies to PA Holdings Limited had been incorporated in overseas countries under names in which the name PACTEL featured. The Australian version, now differently named, was Pactel Pty Limited. By agreement dated 1 January 1987, worldwide rights to the mark PACTEL were assigned to Pacific. Pacific had lodged its own applications in Australia for the PACTEL mark in September 1990.

She said that since Pacific had become aware of Mr Sampson's application, it had been endeavouring to establish the extent of the use of the mark in Australia by its predecessor in title. The "title" specified in the reasons for the application for extension referred to proprietary interests and any discussion regarding such matters went to the substantive issue

and was a matter where evidence would need to be considered. This necessitated liaising with a US company associated with PA Holdings Limited and, although some information obtained indicated grounds for opposing Mr Sampson's mark, difficulty was being encountered in obtaining specific evidence to support such opposition. She said that Pacific believed that the evidence was available, that the opposition was seriously intended and that the extension sought to gather the evidence was neither frivolous nor vexatious.

Ms Johnston referred to the *Playground Supplies Pty Limited* case 5 IPR at 433 where it was held that considerations relevant to an application for extension should include that a sufficiently sound reason had been made out, the public interest and the relative inconvenience to the parties. In that decision, with respect to the reason for seeking the extension, the Acting Chief Assistant Registrar took into account background factors, communication problems with an overseas applicant and Australian attorney, and that the applicant had applied to register similar marks in Australia. The question of the mark's proprietorship was relevant to the public interest and, on the question of the relative inconvenience to the parties, it was considered that the applicant for the extension would be disadvantaged if the mark proceeded to registration without a resolution of proprietary rights. She said that it was also held that the possibility that the applicant for extension knew of the application for the mark before acceptance was not significant and that there is no requirement upon the applicant for the extension to decide to oppose registration before the mark's acceptance.

As all of the factors in the *Playground Supplies* case, supra, were present in this instance, especially where related to proprietorship of the mark which would form the primary ground in any opposition, she submitted that the extension should be granted.

The law applicable

Having had the benefit of these submissions, it will be most efficient if I simply point to the relevant factors to be considered in an application made under section 49 for an extension of time to lodge opposition.

As Mr Sampson observed, in the *Vangedal* case Bowen CJ dealt with a similar matter under section 59(1) of the Patents Act 1952. He put the matter, in terms as follows:

[I]t has been recognised that cases may occur where, for one reason or another, three months may prove insufficient. Accordingly, it has been provided that further time may be allowed, not exceeding a further three months. The Commissioner is interposed as the arbiter whether such an extension should be allowed and how long it should be. Clearly, the Commissioner will have to consider the interests of the prospective opponent who, for some good reason, has not been able to mount his opposition within the initial period of three months. The Commissioner will further have to have in mind, where a serious opposition is foreshadowed, the public interest which has been mentioned, but he will have to require to be satisfied by an applicant for an extension that a proper case has been made out justifying an extension. It would be wrong if he granted an extension simply because no one had raised rather exceptional circumstances why it should not be granted. Reasons why this is so include the desirability of operating the system efficiently and without unreasonable delays and also the interests of the applicant for a patent...

In the first instance, the reasoning of Bowen CJ in *Vangedal* is, in principle, applicable to these matters to the extent that an extension of time is not a matter of right but must be justified by an explanation of why the time allowed in the original period has been insufficient.

The three factors to be weighed if an adequate case is firstly made for the insufficiency of the initial time period are the public interest and the consequences of the decision for both the applicant and the opponent. Here I draw an analogy with both the *Vangedal* situation and with the case of *Lyons v Registrar of Trade Marks* 1 IPR 416, decided under section 130 of the Trade Marks Act in relation to the time specified by regulation 43 of the Trade Mark Regulations for service of evidence in support of a trade mark opposition. Within those limits and as per Kitto J in *Kaiser Aluminium and Chemical Corporation v Reynolds Metal Co* 120 CLR 136 at 143, it is in the public interest that an opposition not be shut out by a

failure of procedure so that I can consider all the facts surrounding this question, whether they were raised in the initial request or subsequently.

While I note that, in the *Lyons* case, supra, the reasoning of an opposition case decided under the specific requirements applicable to a patent opposition was imported into one under the non-specific terms of section 130 of the Trade Marks Act, it does not necessarily follow that all of the reasons which might justify an extension under section 130 can be relied on under section 49. This is as per the obiter remarks of Assistant Registrar Hancock in the case of *Lind Engineering Ltd v Leeton Steel Works Pty Ltd* 4 IPR 445 at 448, to the effect that the Act provides a somewhat stricter time scale for lodging notice of opposition than for extensions of time for the service of evidence and, by implication, a narrower discretion to extend it.

Further, and unlike the *Vangedal* case dealt with under the Patents Act, it is not mandatory for the opponent in a trade mark matter to establish a *locus standi*, nor are the grounds of opposition defined and limited, though the Trade Marks Act requires that they ultimately be specified. There is thus no onus on the prospective opponent, when seeking an extension of the opposition period, to justify the grounding of the opposition, although it may assist a prospective opponent to invoke the public interest if the grounds are specified, or assist the trade mark applicant if it can be independently established that an opposition is frivolous.

The relevance of the nature of the opposition itself has been addressed in *Playground Supplies*, supra, referred to by Ms Johnston and *Carlton and United Breweries Ltd v Miller Brewing Co* 9 IPR 295. In the latter case, Acting Chief Assistant Registrar Hanlon came to the conclusion that "serious" meant, in the context in which it was used by Bowen CJ and by Kitto J in the *Kaiser Aluminium* case, supra, "seriously intended", but the same conclusion would also apply if the sense of "demanding earnest thought or application" (*Macquarie Dictionary*) is adopted in the present situation.

Finally, I take it as a truism that the fact that a prospective opponent may have had prior knowledge of the existence of an application is not directly relevant to the questions to be answered in deciding a request to extend the initial opposition period. As the *Playground Supplies* case and many others decided by this Office have said, it is only on the appearance of the advertisement of acceptance that it can be definitely known what (if anything) there is to oppose.

Decision

I will now address these issues in the order in which Bowen CJ raised them.

Good reason

Obviously anything which would support an extension under the rigorous *force majeure* provisions of section 131, as discussed in *Atomic Skifabrik Alois Rohmoser v Registrar of Trade Marks* (1987) 7 IPR 551, would constitute a "good reason" for the present purposes. The decision of the Federal Court in the *Lyons* case shows that, at least for the purpose of section 130 of the Trade Marks Act, good reasons also include the lesser difficulties of obtaining material from third parties.

The reason in the present case seem to me to be quite convincing and, while perhaps such problems as communicating with overseas associates are not always insurmountable in the time that was then available to Pacific, the extension application was reasonably based and prudent. The business relationships of PA Holdings Limited and associated companies appear complicated and Pacific seems, *prima facie*, to be making genuine efforts to ascertain its position in relation to previous user of the mark. Mr Sampson did submit that evidence to this effect should be available within Australia but it would appear that some documentation, if it does exist, may need to be obtained from overseas sources. This is not the forum to consider Pacific's US role as a domestic telephone company or whether it has the intention or

ability to trade in Australia. That may become pertinent in deciding the substantive matter but the issue here is whether good enough reasons have been given to substantiate the granting of an extension of time to lodge notice of opposition. I must decide, *prima facie*, that they are.

Serious opposition

In the lack of any evidence that the opposition is frivolous, Pacific has done enough to meet the onus placed on it. The ultimate truth of that matter can, in the lack of clear and tested evidence that the opposition is frivolous, only be tested at the end of the opposition process and it will not help to require the grounds to be fleshed out further when the prospective opponent is still assessing its position. The fact that Pacific has lodged its own applications for the mark in question also indicates to me that it is serious in pursuing the matter.

Public interest

As Shanahan notes at page 69 of his book: "the public interest in denying registration to a deceptive mark will often weigh heavily in favour of extension", and this is so as much in relation to the lodgment of the opposition itself as to the extension of time for the evidence stages which will follow. I think that, given the claims and counter-claims by the parties in this dispute, the public interest will be best served by a full and open disclosure of the facts and evidence from both sides.

Interests of the applicant and of the prospective opponent

As this is a decision regarding the allowance of an extension of time to lodge notice of opposition, I can not take into consideration any arguments concerning Pacific's claims to proprietorship of the mark. That matter may well be tested during consideration of the substantive matter. However, I note that Pacific has lodged applications of its own for the mark PACTEL and the present mark has been cited against them. Therefore, given there is a possibility of its own marks being denied registration due to the presence of Mr Sampson's

mark, its financial interests may be prejudiced if I exclude the opposition, as the applicant's position will then be fortified by the benefits of registration.

Mr Sampson, at the hearing, expressed some concern about the cost to him should proceedings be overly delayed. However, he did not produce any proof of the losses he might incur should the extension be granted. I appreciate the delays and possible expenses that may ensue for the applicant if I allow an extension of time during which the registration of this trade mark may be opposed. Those delays however are part and parcel of any opposition and, if in the final outcome the applicant is successful, the registration will, because of the effect of section 53(2), extend from the date on which the application to register the trade mark was lodged. Equally, the inconvenience and expense of the opposition process itself are inherent in any such dispute.

Conclusion

On balance then, I find that the extension was prima facie allowable on the grounds claimed and the details subsequently unearthed merely illustrate why the time sought was indeed required. I therefore allow the extension of time sought within which to lodge Notice of Opposition to trade mark application 524911.

Ian Forno
Hearing Officer

4 November 1992