



TRADE MARKS ACT 1955
DECISION OF A DELEGATE OF THE REGISTRAR OF
TRADE MARKS, WITH REASONS

Re: Opposition by Gilbey Canada Inc to the registration of trade mark application number 535014 in the name of Regalia Liquor Merchants Pty Ltd.

Background:

After examination, trade mark application 535014 was advertised as having been accepted for registration. The applicant is Regalia Liquor Merchants Pty Ltd, which I will refer to simply as “the applicant” from this point.

The mark in question is the words BLACK VELVET, sought to be registered for “spirits of whiskey based beverages in class 33”. The date of application, at which the applicant asserted that it was the proprietor of the mark, is 24.5.90.

Registration of the application is opposed by Gilbey Canada Inc (“the opponent”) on various grounds. These are of the usual generalised form but, in the final analysis, only one of them, proprietorship, was pressed at the hearing. The opponent has served the applicant with a copy of the evidence to support the opposition, but there has been no answering evidence from the applicant.

The opposition came on for hearing and decision by me, as a delegate of the Registrar of Trade Marks. At the hearing, the opponent was represented by Mr Ken McInnes, a patent attorney of the firm of Spruson and Ferguson. The applicant did not appear.

At the hearing, Mr McInnes argued for the opponent's proprietorship claim. He noted the position under earlier law, reviewed by Fullagar J in the High Court in *Aston v Harlee*: (1960) 103 CLR 391 at 398-399. This has long been accepted as equally applicable to proprietorship under section 40 of the *Trade Marks Act 1955*.

The right to registration depends, therefore, on proprietorship of a mark. The conception of proprietorship, other than proprietorship acquired by a user which has made the mark distinctive of the applicant's goods, is a difficult conception, but it has been explained by Dixon J. in *Shell Co. of Australia Ltd v Rohm and Haas Co*, where his Honour refers to the history of the English legislation. His Honour quotes Cotton L.J. as saying in *re Hudson's Trade Marks*: "The difficulty is this: Is a man to be considered as entitled to the use of any trade mark when he has never used it at all? That is a difficulty, but I think the meaning is this. If a man has designed and first printed or formed any of those particular and distinctive devices which are referred to in the first part of s 10, he is then looked upon as the proprietor of that which is under that Act a trade mark, which will give him the right so soon as he registers it.". Dixon J. then sums up the position by saying: "It is clear enough from the course of legislation and of decision that an application to register a trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration". "Authorship", says his Honour a little later, "involves the origination or first adoption of the word or design as and for a trade mark."

The evidence, he submitted, supported the opponent's claim to authorship and ownership of the mark in Australia.

The opponent has, by way of a statutory declaration, asserted that it has sold its Canadian-distilled whisky in Australia under the exact trade mark at issue. In the body of the declaration, sales are asserted in both the recent past and in earlier years.

Four cases were allegedly sold in 1990/91. Such an assertion, alone, would be little proof of a claim to the use of a trade mark in Australia, since such matters, when in dispute between the parties, must rest on hard evidence. Nor is there any reason to accept that those four cases were sold prior to the date of the opposed application or that the trade which resulted in their sale was trade in Australia. In that regard, see *W.D. and H.O. Wills (Australia) v Rothmans Ltd*, (1956) 94 CLR 182.

As to earlier years, the assertion of sales is backed up by additional exhibits. The total picture at that time is one of real commercial use at an earlier date, albeit that it has since fallen away to nothing. The opponent has relied on copies of a publication called *Thomson's Liquor Guide*. This appears to be a trade directory which indicates, among other things, that the opponent's product was available from its distributors, Gilbeys Australia Pty Ltd and Tulloch Wines, up to February 1983. From April 1983 the supplier is listed as Swift and Moore Pty Ltd. Exhibited to the declaration are a price list from Gilbeys Australia Pty Ltd and a Cumulative Quarterly Return from the same company for the September 1982 quarter, showing a turnover, under the "brand" BLACK VELVET WHISKY, of \$16,238.

Also exhibited is a sales report from Swift and Moore, dated 30.7.85 and giving a "July year to date" sales figure of \$2979. Since the exhibit does not make it clear if the total is a rolling one, for the past 12 months, or if it relates to a financial year that has only just commenced, it is hard to compare that figure with the later sales, which by 1990/91 were a mere 48 bottles per year. The opponent concedes that Swift and Moore stopped distributing the opponent's whisky in "approximately 1985". There is evidence that an officer of the corporation of which the opponent company is a part, was instructed to find a new distributor. That officer has not given evidence.

Throughout the period, the opponent's product was advertised in international magazines with some circulation in Australia.

Mr McInnes argued that availability of the product, plus advertisement in international magazines circulating in Australia, must amount to use in trade. He strongly refuted any suggestion that diminished sales and the failure to appoint a new distributor could, on the facts, be seen as abandonment. Rather, there had been an ending of a distributorship in what is, on the face of it, a difficult niche market for Canadian whisky in a country where Scotch and other whiskies hold the lions share of the market.

As to abandonment, Mr McInnes referred me to *Settef v Riv-Oland Marble*, 10 IPR 402. At p 421, McGarvie J noted that proprietorship can be lost by abandonment, but not by mere non-use.

He does, however, note with approval the quote from *Kerly's Law of Trade Marks and Trade Names*, 12th ed, to the effect that, if use has ceased and the owner does not propose to resume it, a similar result can be reached even if there is no positive intention to abandon. The intention, or lack of it, is a pure question of fact.

There is no evidence that the applicant has used its mark at all, though the opponent's evidence suggests, in passing, that the applicant has sold Scotch whisky under the mark.

Decision:

It is clear that the sales of the opponent's whisky have slumped badly in recent times, and that the opponent still has not found an Australian distributor. None the less, on the evidence, it is probable that the opponent had an intention, at the year with which I am concerned, to resume use of the mark. Thus, it had not necessarily abandoned the right which it gained, as the apparent first user, to ownership of the trade mark.

Accordingly, the applicant was not, on the face of it, the proprietor of the mark in Australia when it made its application. Even if there has been use by the applicant, there is no evidence as to when this was, or to show that the applicant is or was an honest concurrent user. Overall, there is no reason why I should register the application. The onus is on the applicant, under the *Trade Marks Act 1955*, to show that it is entitled to its registration, and failure to show registrability is thus fatal.

I therefore refuse to register application 535014. I award costs in accord with the scale to the opponent.

T. Williams
Hearing Officer.
9 February 1996