



TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: s49, and an application by The Price Company for an extension of time to serve evidence in support of opposition to trade mark application number A568309(42), PRICE CLUB - this mark filed in the name of Price Club Australia Pty Limited

On 8 April 1993 trade mark application number A568309, filed in the name of *Price Club Australia Pty Limited*, was advertised as being accepted for *department store, discount store and supermarket retailing and wholesaling and merchandising services* in class 42 . The trade mark is PRICE CLUB. I shall refer to the trade mark applicant, an Australian company of Vaucluse, New South Wales, as *Price Club Australia*.

On 8 July 1993, the final day of the three months allowed under section 49 of the Trade Marks Act, *The Price Company*, a United States corporation of San Diego, California, filed a notice opposing the registration of this mark.

With the filing of a notice of opposition the provisions of regulation 43 come into operation. A time limit of three months commences in which the opponent, here *The Price Company*, may serve evidence to support of opposition action. This time phase expired on 8 October 1993.

On 15 October 1993, 7 days outside the time limit, *The Price Company* requested a three month extension to 8 January 1994 in order to serve their evidence in support of the

opposition. To support of this request, Mr Wayne Maurice Condon, a solicitor from the firm of Freehill Hollingdale & Page, filed a statutory declaration. Mr Condon had been receiving instruction on behalf of *The Price Company*. In his declaration he gives an account of why the extension of time request was made outside the time allowed. Briefly, there was a breakdown in office procedures. Mr Condon describes how in dealings with another matter it inadvertently came to his attention that the time limit for serving the evidence in support on 568309, had closed. His explanation for this breakdown is that a diary system failed. On 13 October 1993, or 5 days outside the deadline, he became aware of situation. On 14 October he received advice from an instructing solicitor in the U.S.A, that negotiations between *The Price Company* and *Price Club Australia* had come to nought. He at once took action and, on 15 October 1993, 7 days outside the deadline, both the application for the extension of time, and Mr Condon's declaration, were filed.

On 13 December, the trade mark applicant, *Price Club Australia* advised the Registrar that they opposed the grant of this extension.

The matter came to a hearing before me in Melbourne on 8 February 1994. The trade mark applicant opposing the extension, *Price Club Australia*, was represented by Mr Robert Cross of the Melbourne firm of Phillips Ormonde & Fitzpatrick. The trade mark opponent, and applicant for the extension of time, *The Price Company*, was represented by Ms Andrea Oxley of Freehill Hollingdale & Page, also of Melbourne.

Submissions from *Price Club Australia*, opposing the extensions of time.

Mr Cross opened his submissions by pointing out that although the general provision of section 130 of the Trade Marks Act gives the authority for extending the three months set under regulation 43, the conditions for allowing the extension are prescribed by regulation 69. This regulation states:

69. An application for an extension of time under these Regulations shall be in writing and shall be lodged at the Trade Marks Office:

- (a) *before the expiration of the time sought to be extended; or*
- (b) *if the Registrar is satisfied that special circumstances existed which prevented the application being made before that time, within such time as the Registrar allows.*

Mr Cross then proceeded with a critical analysis of the Condon declaration. Briefly, he said that there was no proper explanation of:

- why the diary system failed
- why there had been no interrogation of the system to establish the cause
- how Mr Condon happened to come across the information that the time had run out
- what Mr Condon's dealings were with the U.S.A. associate, and
- how this associate was able to advise him on the matter of negotiations between *Price Club Australia* and *The Price Company*

Further, he said, Mr Condon's declaration was not corroborated.

Mr Cross submitted that with shortcomings of this kind *The Price Company* had not established grounds for an extension of time made within the allowed time. For a late application, he argued, the grounds were well short of the mark.

Mr Cross then presented me with a declaration by Mr Laurence Rodney, a director of *Price Club Australia*. Mr Cross tendered this declaration he said, in order to show that Mr Condon's reference to negotiations between *Price Club Australia* and *The Price Company*, was wrong. Mr Rodney says, that as a director of *Price Club Australia*, he would have known of any negotiations and he knows there were none. Mr Cross made no apology for presenting the declaration at this point in proceedings, nor did he claim any justification, except to say that he considered it manifestly desirable that the information deposed by Mr Rodney should be disclosed. It was important, he said, because it invalidated the Condon declaration and it was on the basis of the Condon declaration that the claim for

special circumstance, and therefore the right to an out-of-time extension, were grounded. Mr Cross said the reason for producing this evidence was simply in order that I, as hearing officer, should be made aware of the full facts. The importance of putting all the material facts before me, he claimed, justified producing the declaration at the hearing.

Submissions from *The Price Company*, the applicant for the extension

Ms Oxley, in response to these arguments, first drew my attention to the well regarded authorities relating to extensions of time for serving evidence in trade mark opposition matters as per *Mitty's Authorised Newsagency v the Registrar of Trade Marks*, 78 FLR 217 and *Vangedal-Nielsen v Smith* (1980) 33 ALR 144. In line with the findings in these cases, an extension she said, must be considered in light of:

- the history of the opposition proceedings,
- the reason put forward to justify the extension,
- the seriousness or otherwise of the opposition,
- the degree of inconvenience likely to be suffered by the parties if the extension is allowed or refused, and
- the public interest in the matter

In respect of these tests, Ms Oxley pointed out that this extension was the very first, that it was for the purposes of the evidence in support of the opposition, and that it was not unusual for the statutory three months to prove inadequate. She cited cases such as *Re Application by Jonathon Sceats Design Pty Ltd* (1989) 15 IPR 59, where up to 30 months and beyond, was required to complete the evidence in support. In respect of a satisfactory reason being put forward, she referred me to the Condon declaration; to the fact that *The Price Company* was resident overseas, and to the advice received from their U.S. associates that negotiations were in progress. In anticipation of a settlement the agents had not proceeded at speed to amass evidence. As to the seriousness of the opposition Ms Oxley directed me to the opponent's evidence in support which had in fact been lodged with the Office in the week before the hearing. In relation to the balance of convenience, she pointed to the shortness of time so far and the fact that *Price Club Australia* had not

put forward any claim to show how or why the extension, if granted, would cause them inconvenience. The opposition raises matters of deception which indicates involvement of public interest.

Ms Oxley then turned to the fact that the extension has been requested out of time, and the onus on *The Price Company* to satisfy the provisions of sub-regulation 69(b) and show that special circumstances prevented the application being made in the time allowed. She referred me to determination of special circumstances (*Jess v Scott* (1986) 70 ALR 185; *Unilever Australia Ltd and Anor v Johnson and Johnson* (1992) 24 IPR 410 at 414) and submitted that errors and omissions occurring in an agent's office, fall within these provisions. She reminded me that the discovery that time had run out was only 5 days outside the deadline, that immediate action was then undertaken to notify the U.S. attorneys and receive instruction, and that the resulting application for the extension was only 7 days late.

In relation to the Rodny declaration, Ms Oxley protested that Mr Cross's tabling of the document at the hearing with no prior warning, was far from satisfactory. She would liked to have had an opportunity to discuss the question of negotiations with her instructing U.S. associates and this she could easily have done had Mr Cross provided her with a copy even as late as the previous day. She pointed out that she had been in contact with Mr Cross on a number of occasions during the past few days but at no time did he mention the Rodny declaration, or advise that he intended to table evidence at the hearing.

Decision

As Mr Cross submitted, there are two hurdles which *The Price Company* must get across in order to justify this extension of time.

First *The Price Company* must satisfy the requirements of section 130 and demonstrate that, in light of the present situation, good reason for an extension does exist, that a serious opposition is envisaged, that the grant of the extension would not unduly inconvenience the other side, and that the public interest is in the grant of the extension. I am satisfied on all these grounds. As per Mr Hancock's now well noted comment, approvingly cited in *Mitty's Authorised Newsagency v the Registrar of Trade Marks*, 78 FLR 217 at 219, it is a notorious fact that the three months provided under regulation 43 proves very often to be inadequate. Extensions of this time are more often required than not. This is particularly so where the Australian agent is taking instruction for an overseas corporation. In addition, however, the initial three months have here proved to be insufficient because, as per the Condon declaration, the Australian agent understood that negotiations were under way. Collection of evidence is an expensive and difficult process and a prospect of resolution at commencement of proceedings certainly justifies some restraint in the evidence collection. However - as I have already found above - good reasons exist by way of the brevity of the time elapsed and the difficulties associated with international communications, to apply the findings of the *Mitty's case (supra)*, and proof of negotiations would do no more than confirm this finding. The seriousness of the opposition has not been brought into question. The grounds of the opposition include matters of public interest, and the recent successful completion and filing of the evidence in support testifies to a serious intention. Finally, as Ms Oxley submits, there is no indication of untoward inconvenience to *Price Club Australia* should the extension be allowed.

At the second hurdle, *The Price Company* must satisfy sub-regulation 69(b) and show that special circumstances existed to prevent *The Price Company* from lodging the extension request within the time allowed. The circumstance explained in the Condon declaration discharge this onus. The office of Freehill Hollingdale and Page operated a computer

managed diary system which was expected to issue a reminder when the time for evidence in support was coming to an end. That system failed, but five days later the agent noted the failure and straight away sought advice on whether or not the extension was required. He acted on this advice forthwith and filed a late extension only 7 days beyond the deadline date. Office failures of this kind are recognised as special circumstances *D'Urban Inc. v. Canpio Pty Ltd.* (1990) AIPC 90-658. On consideration of all of these factors I find that the requirements for sub-regulation 69(b) are satisfied.

I have found that the provisions both of section 130 and regulation 69 are met, and ***The Price Company*** is therefore entitled to the extensions of time it seeks.

I must finally comment, however, on the Rodny declaration. In the circumstances of this case, the explanation from Mr Condon, that the assembly of evidence had not progressed as quickly as it might because negotiations were understood to be in train, was not critical to the case (see my finding re the *Mitty's case* above). The fact or otherwise of negotiations is thus not essential to my finding in this case.

Had the question of negotiations warranted greater weight, then, with Mr Cross's production of the Rodny declaration, I should have been obliged to adjourn this hearing to allow Ms Oxley time to address the allegation raised. Mr Cross says it was important that I be aware of the facts. Clearly, as per *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd*, [1979] RPC 410 at 435,

[w]ithin reasonable limits it furthers that public interest to allow consideration of any available evidence that will assist in providing a clearer picture of the awareness of rival marks as affecting the likelihood of deception or confusion.'

However, this end would have been much more satisfactorily achieved had Mr Cross taken advantage of the time between receipt of the declaration, and the hearing, (some days at least) to provide Ms Oxley with a copy. While the public interest is served by a full disclosure of the facts, it is not well served if facts are disclosed only at the last moment and, as a consequence, the hearing is adjourned. I find Mr Cross' approach in producing the

Rodny declaration at the hearing, both unreasonable and unhelpful. Particularly do I find this so when Mr Cross had no explanation for his failure to give Ms Oxley due notification. As it stands, all of the adverse comments that Mr Cross found fit to make regarding the uncorroborated nature of the Condon declaration, apply with equal force to the allegations of the Rodny declaration.

I have found that the extension of time to 8 January 1994, here sought by the opponent to serve evidence in support of the opposition, is in order and I have decided that it is to be allowed. Costs were claimed by both sides and there being no reason to depart from the usual course, the costs here will follow the action. I award them accordingly to *The Price Company*. My final comment is that, had matters gone the other way, in awarding costs I would have treated the late production of Mr Rodny's declaration as a mitigating factor.

(Helen R. Hardie)
Assistant Registrar
9 March 1994