



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

Re: Opposition by Australian Feed Company Pty Ltd to the registration of trade mark application number 572758 in the name of Pitman-Moore Australia Limited.

**Background:**

After examination, trade mark application 572758 was advertised as having been accepted for registration. The applicant is Pitman-Moore Australia Limited, which I will refer to simply as “the applicant” from this point, and the date on which the application was lodged is 19.2.92. It is long established law under the *Trade Marks Act 1955* that the applicant’s title is to be tested as at that date.

The mark in question is the word SUSTAIN. At the time it was accepted, the goods specified were “animal feed supplements, not including supplements that contain yeast”.

As set down in the transitional provisions of Part 22 of the *Trade Marks Act 1995*, the provisions of the *Trade Marks Act 1955* continue to govern this opposition. Accordingly, the provisions to which I will refer, below, are those of the 1955 act.

From the evidence, it is common ground that the most recent user of the trade mark is Livestock Nutrition Technologies Pty Ltd (“LNT”). LNT is the beneficiary of an assignment from the applicant who, of course, is the party now seeking registration. The deed of assignment is dated 11.8.93 and LNT has sought to be recorded as the registered owner of the trade mark. It may be so recorded if, at the end of the present opposition process, I direct that there be a registration.

Registration of the applicant’s trade mark is opposed by Australian Feed Company Pty Ltd (“the opponent”) on various grounds. I will not repeat them as they were a general catalogue, not all of which were addressed at the final hearing.

Both sides served evidence to support their positions and the opposition came on for hearing and decision by me, as a delegate of the Registrar of Trade Marks.

At the hearing, the applicant was represented by Mr Ray Walton, a patent attorney of the firm of Griffith Hack and Co. The opponent was represented by Ms Julia Baird of counsel, instructed by the attorney firm of Peter Maxwell and Associates.

**Additional Issues:**

At the hearing, Ms Baird was the first to make submissions. However, I will take two matters, raised later by Mr Walton, out of sequence as they need to be revealed at an early stage.

1. Amendment of the goods covered by the application.

Mr Walton revealed, at the hearing, that his client is now seeking registration only in respect of “animal feed supplements for cattle and sheep, not including supplements that contain yeast”.

Ms Baird sought, on that basis alone, an award of costs. Mr Walton argued that costs should still follow the cause. I will deal with that issue later.

2. Application, made at the hearing, for special leave to adduce further evidence.

At the root of this complexity there is a technical defect in the evidence relied on by the opponent by way of evidence in reply. That evidence, provided for under regulation 45, is normally the final of the three sets of evidence allowed under the regulations. However, the opponent has served, in the evidence in reply to the applicant’s evidence in answer, new material which is clearly in support of the opposition.

Ms Baird argued, for the opponent, that the new evidence is in fact no more than a legitimate reply to the declarations of the applicant. However, it is also, in fairness to the applicant, something which opens up an entirely new aspect of the case, and is thus new evidence.

To deal adequately with this issue, I need to consider not just the application for special leave but the way in which it was made and the circumstances which motivated it. For that purpose, I must look in some detail at part of the evidence on which the parties are otherwise depending. I will review the evidence as it stood up until the time of the hearing, concentrating on the elements which are relevant to the application for leave to adduce further evidence. There are of course other declarations in evidence - I will return to those in due course.

The opponent’s evidence in support consists of two declarations, one by John Biffin, the other by John Rutherford.

Mr Rutherford is the Managing Director of the opponent. His declaration goes to the use and reputation of the opponent’s product, a horse feed sold under the trade mark SUSTAINA. The

opponent has used this trade mark since at least September 1989. The product in question is a loose, free-flowing mix, a blend of grain and plant products with various additives. It has the texture of a coarse muesli and is sold in 25 kg bags. Claimed sales amount to 71,307 bags in the year ended June 1991. In the same 12 month period, Mr Rutherford attests to sales value of \$735,000, with advertising spending being \$71,720.

Mr Rutherford goes on to declare that, according to a promotional brochure put out by LNT, SUSTAIN products are a feed supplement for sheep and cattle. They contain urea, a substance deadly, in sufficient quantity, to horses.

The applicant's evidence in answer consists of a declaration by Clifford Graham, managing director of LNT. While Mr Graham goes into the history of the use of the mark, the issue that I take up at this point is that he says that sales of SUSTAIN feed blocks have been not less than 200 tonnes per year since 1992, rising since then to 500 tonnes in 1994/95.

The opponent goes on the offensive, as it were, in the evidence in reply. Ms Baird argued that this was necessary, as the otherwise uncontroverted inference to be drawn from the applicant's evidence was that nothing had changed and that the mark remained in use to the extent suggested. That, however, turns out to be the subject of some debate.

James Maxwell, the opponent's patent attorney, has declared to a conversation which he had with Ron Major, one of the opponent's Queensland managers, in the course of collecting evidence on behalf of the opponent. Mr Major, according to Mr Maxwell's evidence, had just heard from a friend who was a sales representative for LNT that LNT was no longer manufacturing and selling the SUSTAIN products.

Mr Major himself declares to much the same thing, in somewhat more detail. This new information, received via Mr Major, prompted Mr Maxwell to engage a commercial investigator, whose report is appended to Mr Maxwell's declaration. The appended report, at face value, strongly supports the claim that LNT, the beneficial owner of the SUSTAIN trade mark, has abandoned it in favour of an apparently chemically similar product bearing an entirely different trade mark, PHOSRITE.

It is not possible to say from the evidence itself just when this issue first came to the attention of the opponent. Mr Maxwell's declaration was served on the applicant on 13.8.96 and Mr Major's on 24.9.96. However, the issue of intended use was apparently raised informally with the applicant at an earlier stage, by way of a letter from the opponent's attorney. While that letter, apparently dated 12.7.96, is not part of proceedings, the applicant's reply was copied to the Trade Marks Office by the applicant's attorneys. It makes interesting reading. It says, in part:

In relation to the last paragraph of your letter, we are instructed that our client will not withdraw the above trade mark application.

We are further instructed that our client is manufacturing and marketing its SUSTAIN trade marked product. Our client is also manufacturing and marketing its PHOSRITE trade marked product.

Mr Walton, in support of the application for special leave to adduce evidence, noted that this issue of use and intention to use was a new aspect of the opponent's case. It goes to abandonment, by LNT, of the trade mark the subject of the presently opposed application. As Mr Walton put it succinctly, "we had to do something".

There, I agree with him. I do perhaps have a discretion to simply refuse to consider the evidence. This is one of two courses set out in the *Australian Patent Office Manual of Practice and Procedure*, Volume 3, section 2.3.4. However, that is only one of two options. The other, as Mr Walton was aware, is to admit the evidence, subject to liberal scope for any application which the other side may make for leave to adduce further evidence.

This is consistent with the course set out at pp 68 - 69 of Shanahan's *Australian Law of Trade Marks and Passing Off*. The author envisages that I will deem the wrongly included evidence to be further evidence and simply allow the other side to reply to it. That is an informal approach and he uses the words "further evidence" accordingly. However, further evidence is an evidence process governed by regulation 47. Accordingly, I do not intend to treat the opponent's "wrongly included" evidence as being, in itself, further evidence. It is evidence, pure and simple. If there is to be further evidence, it will be the applicant's and it will be dealt with according to the regulations.

Where I disagree with the course hit on by Mr Walton is that he did not, in the first instance, attempt to take the simple course and seek the written agreement of the opponent to the adducing of the further evidence, an option given him by regulation 47(1)a. Rather, in the lack of such consent, he sought the special leave provided for under regulation 47(1)b, delaying even this, moreover, until the time of the hearing. This is something of which the opponent's counsel, Ms Baird, was critical.

Given that the new evidence relied on by the opponent had been known to the applicant just short of four months before the hearing, the applicant's delay in applying for leave to adduce further evidence cannot be justified. Mr Walton argued that he judged the matter as being best able to be dealt with at the same time as the hearing of the opposition itself. He spoke of a "calculated risk", taken by him in the overall interest of efficiency. Ms Baird replied, and rightly, that Mr Walton's calculated risk involved the real risk of unfairness to the opponent.

While the regulations do allow for an application for leave to adduce further evidence to be made at the hearing, I do not think it can ever be desirable that this be done where adequate notice is possible. Mr Walton has deliberately ignored the formal course for making a timely written application. That course would have avoided taking the opponent by surprise at the hearing.

The surprise application for special leave put the opponent's counsel in a difficult position. The first she had heard of it was, as I have said, after she had made her primary submission. I allowed an adjournment and she was able to read and digest both the declaration in support of the application for special leave and the further evidence itself. This further evidence is a declaration by Clifford Graham. It is dated 3.12.96, a week before the hearing.

Ms Baird opposed the grant of leave and was prepared and able to make submissions on that issue at short notice. However, having heard the parties to that point, I was able to say that they should assume that special leave would be granted. In this, I was acting on the general principle that it is always preferable to get the main bulk of the issues heard, in so far as it is possible to hear them. I allowed the opponent an additional opportunity to make written submissions on the further evidence and the restricted goods. I reserved my decision on what additional opportunity might be needed to re-convene the hearing.

Regulation 48, if special leave is granted, gives to the other side an automatic right to serve yet more evidence, this being evidence in reply to the further evidence. I directed that this regulation would apply as from the date of the hearing. However, Ms Baird referred to a possible difficulty faced by the opponent's legal advisers in obtaining instruction on a complex issue at short notice. In view of the difficulties to which both she and her client had been put, I agreed that an additional 12 days would be allowed for this, without fee.

I do not intend to say much about the principles governing the grant of leave to adduce further evidence before the Registrar of Trade Marks. The principles are set down in *Studio Srl v Buying Systems (Aust) Pty Ltd*, (1991) 22 IPR 580. There, Hearing Officer Homann makes it clear that it is not necessarily fatal that the side seeking leave could have served its evidence sooner. In the present case, it was the unduly broad scope of the opponent's evidence which triggered the need to make the application. I take it, therefore, that this delay should not fatally prejudice the application for leave. A just and fair outcome is generally more likely if all the evidence is allowed in.

For the record, I now grant special leave to adduce further evidence. The necessary copy of the further evidence has already been served on the opponent, which has not sought to rely on any additional evidence in reply to the further evidence. However, the opponent has, through its patent

attorney, made relevant submissions. As matters turn out, it has not been necessary to re-convene the hearing.

However, while I do not believe that, at the end, the opponent has been disadvantaged as far as addressing all the issues, it has been put to difficulties in mounting its case. The tactics used by the applicant have, I believe, increased the opponent's costs and this must be dealt with in the award to which I will come, below.

### **Substantive Issues:**

Having dealt with the procedural aspects of the evidence, I turn to consider the opponent's case, as argued by the opponent's counsel, Ms Baird, at the hearing and by the opponent's attorney in the additional written submissions to which I have referred.

### **Proprietorship**

Under s 40 of the act, registration can only proceed if I am satisfied that, at the time of application, the applicant was the proprietor of the trade mark.

Ms Baird argued, on well established law, that the application must fail if there has been prior use for a substantially identical mark for the same kind of thing. The ultimate ancestor of the law relied on by Ms Baird is *Hicks's Trade Mark* (1897) 22 VLR 636.

I do not think it matters that the applicant has in the past only used the trade mark for a stock feed that, by its nature, is a different good to that which the opponent manufactures. I will deal with that question later in more detail. The problem is that the newly restricted scope of the application would still include a wider range of goods. The present application is in class 31 and would cover goods as diverse as salt licks and molasses. I do not think the present somewhat nebulous restriction of the goods avoids a potential conflict with the opponent's goods.

However, the two marks, if there is to be conflict on the question of ownership, must be the same mark. Ms Baird noted the relevance of *Shell Co of Australia Ltd v Rohm and Haas Co*, (1949) 78 CLR 601. Here, to begin with the conclusion, is where the opponent fails, on the question of substantial identity.

As to the comparison of marks, the authority on which Ms Baird relied is *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd*, (1963) 109 CLR 407, as follows - per Windeyer J at p 414:

... (the two marks) should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.

She also relied on *Carnival Cruise Lines Inc v Sitmar Cruises Limited* 1994 AIPC 91-049. In that case, Gummow J firstly concluded that there was no authority for a view that anything less than substantial identity between the two marks will support a proprietorship claim. Gummow J then, having noted the part of *Shell v Esso*, supra, which I have just quoted, put the matter in terms of a “material difference”. He did not elaborate, but the simple reading of those words is a difference, on side by side comparison, in something which matters.

Acting on this, I must be careful to allow for, but not to put undue weight on, differences between marks. They must be noted, but the assessment of them is still a practical question of “total impression of resemblance or dissimilarity” on the basis of this side by side comparison.

Without overstating the obvious, SUSTAINA and SUSTAIN share common elements. There is no doubt potential for the two trade marks to be confused but that is only a related issue, not a definitive test of substantial identity. It is just as clear that, while the two marks can be confused, they are, in their essences, different. Materially different, to the point where ownership of one should not preclude a claim to ownership of the other.

The opponent’s second attack on the applicant’s claim to proprietorship of the mark goes, as I have said, to abandonment. This attack can succeed if I am satisfied that rights in the trade mark have been assigned and that the assignee, LNT, has abandoned the intention to use the mark. It is clear from *Marcus v Sabra International Pty Ltd*, 1995 AIPC 91-120, that a valid chain of assignment, without deliberate abandonment, leaves the assignee with a clear title. Potentially, assignment from the applicant to LNT would leave LNT with good title. I think the converse also follows: abandonment by LNT, after the mark was assigned to it by the applicant, would be fatal. A word or device that is not intended to be used as a trade mark is simply not within the definition of “trade mark” in section 6 of the act.

To return briefly to the evidence, it is fairly clear from the declaration of Andrew Graham that the applicant had used the mark. It had, in 1993, assigned the trade mark in good faith to LNT, which had, up to 1995, continued to use the mark. LNT is a manufacturer of animal feed blocks, and SUSTAIN is a trade mark which it has used in relation to such blocks. From the evidence, it appears that LNT took over the entire feedblock factory formerly used by the applicant, buying it as a going concern. So there is complete continuity in trade up until 1995.

That, of course, was the point of the attack in the opponent's evidence in reply.

I have already mentioned Mr Major, a Queensland Manager of the opponent. He referred to his conversation with Mr Forster, a sales manager with the applicant. Mr Forster is alleged to have said:

SUSTAIN is now a discontinued line and LNT are not making it any more, it is not a real good seller.

Mr Major goes on to say that, at the date of his declaration, he had been able to locate stocks of the SUSTAIN product at only one produce and animal feed outlet in the "many" he contacted. However, he does not specify which outlets or how many there were.

Then there is the commercial investigator's report, commissioned by Mr Maxwell. The investigator refers to a conversation with Scott Harding, who is described as a sales manager with LNT, at the Townsville office. Mr Harding also described the product as having been discontinued and he appears to have been well informed. He apparently said that the SUSTAIN product was identical to another LNT product, PHOSRITE. However, PHOSRITE was not, he said, marketed in the southern states, where farmers did not believe that phosphorous deficiencies were a problem. According to Mr Harding, the PHOSRITE range was sold in block sizes set to compensate for the withdrawal of SUSTAIN from the market.

The commercial investigator had already contacted a salesman identified only as Mark, and working at Westfarmers Dalgety Ltd in Coopers Plains, Queensland. Mark, after checking details of the chemical content of SUSTAIN, had offered a discount on it as a discontinued line. He too spoke of the identical product being sold as PHOSRITE.

By way of reply to this, the applicant relies on a further declaration by Clifford Graham, who is the Managing Director of LNT. Mr Graham had previously made the principal declaration in answer to the opposition. His second declaration is dated 3.12.96. He declares, in answer to the specific claims to which I have referred:

My company intends to continue to use the trade mark SUSTAIN in respect of animal feed supplements, including animal feed supplements which may or may not be feed supplements for cattle and sheep, and may or may not contain any or all of the ingredients of the feed blocks currently sold by my company under the trade mark SUSTAIN.

He goes on to quote a sales figure for 1995/96. That figure is \$99,000 for the 95/96 financial year, which at the date of the declaration was only nearly half over. Sales figures for July and August 1996 are also specified: \$4477 and \$3026 respectively. Appended to his declaration are copies of

two invoices, to different customers. The first of these is dated 9.8.96 and is for a single order worth \$793. The other is dated 30.9.96 and includes \$627 of SUSTAIN blocks.

He also declares that sales of the feed blocks, which are intended to supplement the diet of sheep and cattle kept on protein or mineral deficient pastures, are generally greater in summer than in winter.

The opponent's attorney has attacked this declaration, on a variety of grounds, in the written submissions which I allowed for after the conclusion of the main hearing. The writer of those submissions, Mr James Maxwell, has attempted to reduce the weight given to the declaration on various grounds. However, some of the attacks go at least as much to the evidence which was properly served and under consideration at the hearing. Such general arguments could have been put by Ms Baird. As she did not make them, I will confine my comments to the additional criticisms which Mr Maxwell directs specifically at the further evidence, the second declaration of Mr Graham. That is, the declaration from which I have just quoted.

Mr Maxwell points to a lack of evidence supporting the assertions of total sales. However, Mr Graham's declaration specifically refers to "sales figures applicable to products sold under the trade mark SUSTAIN". He declares that he has full access to the records of LNT and that he makes his declaration on the basis of either his own personal knowledge or of those records. It is apparent from the declaration as a whole, and from the supporting exhibits, that Mr Graham is using the words "products sold under the trade mark SUSTAIN" in a sense that I understand and that is consistent with established law. That is the question on which there must be certainty. Given that there is, the total of those sales is a simpler question of fact. As such, full weight should be given to the declarant's statements.

I do not think it is incumbent on Mr Graham to support his declaration with "the records and accounts of the company", as Mr Maxwell identified them in general terms. Mr Maxwell argued that these could have been produced for review and verification. Mr Graham did not feel it necessary to go to that additional length. I think his declaration has sufficient weight without such verification.

I also do not see that there is any great weakness in the fact that, as Mr Maxwell put it "it is not clear that...the accounts on which Mr Graham relies have been audited". Nor is it a failing that it is not clear "if Mr Graham was relying on the summary evidence of one of his employees". It would be unreasonable to expect any senior executive to total up all sales of a product over a period of years. Such information must nearly always be prepared on the basis of the clerical work of others. That work is part of the records on which Mr Graham has relied and there is no reason to doubt

that the work was done accurately and honestly. It must be given full face value, since Mr Graham has been prepared to make a statutory declaration on that basis.

Mr Maxwell was also critical that only copies of the invoices are in evidence. However, once again, there is no reason to suspect that these are anything less than fair copies of the originals. Nor is there anything that is unclear in the copies. Accordingly, since Mr Graham has declared to their authenticity, I will give them full weight.

Mr Maxwell went on to draw some inferences from the newly disclosed sales. He pointed out that, for sales over a six month period, a total of \$99,000 is consistent with discontinuing the production of the product.

In my opinion, Mr Graham's declaration is carefully crafted. No doubt it is honestly made but, in the face of the opponent's evidence, it manages to say very little. Mr Graham asserts that LNT has an intention to continue the production of SUSTAIN products, in some form or other. However, he is silent on the question of discontinuing the present line. Nor does he say that his company has the capacity or real intention to produce anything other than feed blocks. He does not address the evidence as to the views of apparently responsible employees of his company. Nor does he do more than leave open an inference that, since sales have picked up in past summers, they may do so again. All in all, his declaration is not specific as to any future use, when it might be, or what form the goods may take. Moreover, as Mr Maxwell pointed out, the lack of clarity as to the goods of future interest is at odds with the subsequently restricted scope of the present application.

This is not an ordinary case where an opponent attempts, with little supporting evidence, to impugn the applicant's intention to use its trade mark. Here, the weight of the opponent's evidence is considerable. Such evidence cannot be countered by mere bland protestations.

The requisite intention is a "resolve and settled purpose". In *Ducker's Trade Mark* (1928) 45 RPC 397 at 402, Lord Howarth M.R. said:

I agree that the goods need not be in being at the moment, and that there is futurity indicated in the definition; but the mark is to be a mark which is to be definitely used or in respect of which there is a resolve to use it in the immediate future upon or in connection with goods. I think that the words "proposed to be used" mean a real intention to use, not a mere problematical intention, not an uncertain or indeterminate possibility, but a resolve or settled purpose which has been reached at the time when the mark is to be registered."

Quite clearly, LNT does not meet this standard. Nor does the applicant, which has assigned the mark to LNT. Accordingly, I believe that the opponent has established its case that there is nobody

with the requisite intention to use the trade mark SUSTAIN in relation to “animal feed supplements for cattle and sheep, not including supplements that contain yeast”. It follows that I should refuse to register the application, and this I do. However, for the sake of completeness, I will briefly give my conclusions on two other issues.

### **Capability of becoming distinctive**

Ms Baird argued that, in view of the meaning of the word “sustain”, it was not able to become a distinctive trade mark. That, she argued, was a failing under s 25 of the 1955 act. She argued that this was particularly so where another trader (the opponent) has made extensive use of the word SUSTAINA.

Under this heading, let me say that the trade mark SUSTAIN has shown itself, in use, to be able to become distinctive. It is not entirely lacking in inherent adaptation and has built up an apparent reputation in use. It was, when accepted, entitled to be registered in Part B of the former register. This, at registration, would become subject to the implementation of the Trade Marks Act 1995 but none the less the application should not be held back on this ground.

### **Deception or confusion**

The registration of trade marks the use of which is likely to deceive or cause confusion is dealt with under s 28 of the act.

Both advocates addressed the risks of death or injury if horses ingest a feed supplement containing urea. They did this by relying on the evidence, which comes from various textbooks and from trade opinions. They also noted aspects of the evidence which went to the prospect of one mark being confused with the other.

I accept that there was and is some risk of confusion between the opponent’s SUSTAINA horse feed supplements and others which may, within the scope of the present statement of goods, be labelled SUSTAIN. Various traders have given evidence that this is so, though these scenarios were, in the main, fairly artificial.

The evidence itself is somewhat inconclusive as to the consequences of confusion of the applicant’s SUSTAIN cattle feeding blocks with the opponent’s SUSTAINA horse feed. In the first instance, some of the evidence suggests that feed blocks which contain urea are not always safe for all sheep and cattle under all circumstances. They are goods which must, despite their apparently simple nature, be used carefully.

Overall, the evidence suggests that the real risk is not from confusion of trade marks actually leading to deliberate feeding of feed blocks to horses. Rather, the risk comes from the fact that not everyone appreciates that urea, in high doses at least, is poisonous to horses. I think, from this, that the true risk does not actually arise from the use of the trade marks at all, but from horses being allowed to graze where feed blocks, irrespective of brand, are to be found.

Despite what various traders have hypothesised about confusion of SUSTAIN products, in general, with the opponent's SUSTAINA line, there is no evidence that a SUSTAIN cattle feed block has ever been mistakenly supplied when SUSTAIN horse feed was required. I believe that the present risk of deception or confusion could be overcome by further restriction of the statement of goods, to limit the goods in question to those sold in block form with a minimum weight of 15 Kg. This would, in all ordinary circumstances, preclude any real risk of confusion with the loose, bagged feed supplements made by the opponent.

Any deception or confusion which then resulted would be more the result of undue carelessness than of the overall similarity of the trade marks in question. While I think it is well known that there have, from time to time, been bizarre and unfortunate errors in the feeding of animals, these are never going to be entirely eliminated. The demarcation of the goods would reduce the risk to a level that, in commercial terms, was acceptable.

There is more than this, however, to the construction of s 28. The Registrar of Trade Marks has determined that that section is to be applied as set out in the *Official Journal* of 12.9.91.

I have found nothing blameworthy in the applicant's conduct in the adoption and use of the mark. As the practice of the Trade Marks Office now stands, this must restrict the apparent intention of s 28(a) of the *Trade Marks Act 1955*. I will leave that to be resolved elsewhere, should this decision be appealed.

### **Conclusion and Costs**

I have refused, on proprietorship grounds, to register the application. The opponent has succeeded, and is entitled to have its costs, in accord with the scale, paid by the applicant. Those costs would include all of the time involved in hearing the matter, including the question of the grant of leave.

In addition, I award to the opponent the amounts appropriate for:

- an additional two hours of time at the rate applicable to a patent attorney. This is in recognition of the additional work undertaken, after the main hearing, by Mr Maxwell in preparing and making written submissions on the further evidence of Mr Graham, and

- an item of costs of a sum equal to that for receiving and perusing evidence in reply.

T. Williams  
Hearing Officer  
2 September 1997