

TRADE MARKS ACT 1955

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by PRESSWARE INTERNATIONAL INC to applications A575087(16) and A575090(21) which are in the name of JULZAR PTY LTD trading as MPM MARKETING SERVICES

Trade mark applications A575087(16) and A575090(21), filed on 25 March 1992, are in the name of Julzar Pty Ltd, trading as MPM Marketing Services, of 26 Imarna Street, Albion, Queensland [hereafter, Julzar]. Both applications nominate as a series the following two marks

PRESS - WARE

PRESSWARE

These marks resemble each other in material particulars and do not differ in respect of matter which is distinctive or which affects their identity, and for the sake of simplicity I will simply refer to the one mark **PRESSWARE**.

The goods claimed are:

for the class 16 application A575087: - *Paper, cardboard and plastic goods in this class inclusive of place mats, serviettes, napkins, tissues and all paper and plastic table linen in this class; plastic or paper disposable containers in this class; packaging materials in this class including paper and plastic bags*

for the class 21 application A575090:- *Containers, receptacles and utensils in this class not of precious metal including paper plates, cups, drinking vessels and household or kitchen containers in this class.*

On advertisement of acceptance in the *Official Journal of Trade Marks*, both marks were opposed by Pressware International Inc., a Delaware corporation of 2120 Westbelt Drive, Columbus, Ohio, United States of America [hereafter, Pressware].

The opposition grounds are wide, but at the hearing they were confined to the following six grounds:-

1. that Julzar does not use or propose to use the trade marks sought to be registered in respect of all of the goods specified in the applications
2. that Julzar is not the proprietor of the trade marks and is not a person entitled under section 40 of the Trade Marks Act to apply for registration
3. that Julzar's applications constitute an illicit attempt to appropriate Pressware's property
4. that by reason of the trade marks sought to be registered being ones which in Julzar's hands would not be entitled to protection in a Court of Justice, the registration of these trade marks is prohibited by the provisions of section 28(d) of the Trade Marks Act
5. that the onus is on Julzar to show that it is entitled to registration of these applications and Julzar has not and cannot discharge this onus
6. that the applications ought to be refused in an exercise of the Registrar's discretion.

As provided by regulation 43 of the Trade Marks Regulations, Pressware served evidence to support its opposition. Julzar, however, served no evidence in answer, and on 8 June 1995, the matter of the opposition thus came to a hearing before me. The hearing was conducted in Canberra. The opponent, Pressware, was represented by Dr Chris I. Belyea of Griffith Hack & Co of Melbourne. The applicant, Julzar, was represented by Mr Matthew Hall of Cullen & Co of Brisbane who participated by conference telephone.

The evidence

The opponent's evidence consists of four statutory declarations. The first, dated 28 February 1995, is from Mr Carmel Charles Borg. He is a consultant resident in the Australian Capital Territory and employed, as a consultant, by Charles C Borg &

Associates. The second, dated 28 February 1995 is from Mr Roger Pugh of Pymble, New South Wales. He is a partner in Packaging Solutions International, and this business is a sales agent for Pressware. The third declaration, dated 24 February 1995, is from Mr Jeffrey Lippy, Pressware's sales service manager. The fourth is dated 17 November 1994 and is from Ms Jacqueline Moutsias who is a director of Moutsias Management Services Pty Ltd. Her declaration reports the outcome of investigations undertaken on Pressware's behalf.

The Borg, Pugh and Lippy declarations together set down a history of their association with Pressware and the trade mark **PRESSWARE**. It begins in mid 1982 when a New York company called International Paper Company sold a shipment of goods to Pak Pacific Corporation, a company in Victoria Australia. The evidence of this shipment is an 'Order Confirmation' headed with a **PRESSWARE** trade mark which is exhibited to Mr Lippy's declaration. In paragraph 3, Mr Lippy says these goods were 'paper board food trays'. There is no evidence of any further shipment of goods to Australia until the 1990s. By that time, Pressware, the opponent company, had come into being through what Mr Lippy describes as 'a leverage buy-out from International Paper Company'. This takeover occurred in 1987 and, says Mr Lippy, the intellectual property rights held by International Paper Company in the trade mark **PRESSWARE** were transferred to Pressware. Mr Lippy has provided a table of world-wide sales of 'ovenable paper packaging products' sold by Pressware under the trade mark **PRESSWARE** for ten years 1984-94. These sales are all into eight figures, and demonstrate substantial international trade and use of the mark.

Mr Borg began his contact with Pressware in 1990, and during 1991 he was engaged by Pressware to assist in appointing Australian distributors and identifying customers. He exhibits correspondence with Mr Lippy attesting to this. On 29 October 1991, Mr Borg received a sample kit of Pressware's goods. In November 1991 he then attended meetings with representatives of two prominent fast food suppliers in this country, McDonalds and

Pizza Hut, and, at each meeting, gave a presentation of Pressware's samples. Mr Pugh, in his declaration, confirms these meetings.

In March 1992 a Sales Solicitation Agreement was concluded between Pressware and Charles C. Borg & Associates. The agreement is exhibited by Mr Borg and Mr Lippy.

'Sometime in 1992', Mr Borg declares, he attended a meeting at the Brisbane Airport with Mr Roger Pugh and a Mr Morton of MPM Marketing. At this meeting, says Mr Borg, Mr Morton 'expressed displeasure that Pressware were intending to expand their Australian presence and would be a competitor in other similar products he was distributing. He was interested in taking over distribution for the whole of Australia and wanted me to supply him details of my own customer base to set this up.' This meeting is confirmed by Mr Pugh. He is more specific about the date and says the meeting was in early 1992. He confirms that Mr Morton expressed interest in a number of products, including Pressware's paper board products.

Subsequently, Mr Borg supplied Mr Morton with samples of Pressware's goods. The association was not going well, however, and when Mr Morton requested some further samples, Mr Borg refused to oblige him.

On 25 March 1992, Julzar applied to register its two trade marks.

Following dispatch of the 1991 sample, Pressware sent no further goods to Australia until 1992. But from May 1992, a number of Australian sales of Pressware's goods have taken place and are confirmed by invoices in the Pugh and Lippy declarations.

The other fact established by the evidence is that in 1994 Dr Belyea instructed Ms Moutsias' company to investigate Julzar's trading. Ms Moutsias reported on her company's 'discreet enquiries' on June 1994. Her report broadly indicates that although Julzar's business name,

MPM Marketing Services, is listed in the telephone directory, it is not listed in the *Yellow Pages* and further, that direct enquiries of MPM Marketing Services staff showed they had no knowledge at all of the trade mark **PRESSWARE**

Decision

The grounds of opposition rely heavily on allegations concerning the Mr Morton who attended the Brisbane Airport meeting, and had further brief dealings with Mr Borg. Mr Borg links him with MPM Marketing Services. MPM Marketing Services is the applicant's business name and ties Mr Morton to the applicant, Julzar. So do the two Regulation 8 statements of use filed on Julzar's applications. These are made by 'John Roger Christopher Morton, a principal of Julzar'. Mr Hall did not contest the assumption that this Mr Morton is the same Mr Morton spoken of by Mr Borg and Mr Pugh - and there is no denial from the trade mark applicant. I therefore accept that Mr Morton as referred to in the evidence, is a principal with Julzar.

The 1st ground: That the applicant does not use or propose to use the trade marks sought to be registered as trade marks in respect of all of the goods specified in the applications

The argument relied on by Pressware to support this ground lies principally with Mr Morton's alleged frustration at the prospect of Pressware expanding its Australian presence and increasing direct competition with MPM Marketing Services. This is pointed to by Mr Borg who says that at the 1992 Airport meeting, Mr Morton expressed displeasure when told of Pressware's business intentions. Dr Belyea submits that this frustration gave rise to a wish to thwart Pressware; that this wish motivated Mr Morton to apply for registration of the **PRESSWARE** trade marks; and that this he did through his company, Julzar. Dr Belyea says the Moutsias declaration shows that Julzar is not presently applying the marks to any of the goods, and this bears out the allegation that Julzar filed the applications with no real intention to use the marks.

I do not agree with Dr Belyea that the situation described by Mr Borg is good ground to accept this line of argument, and to determine that Julzar had no firm and fixed intention to use the marks. The applications themselves testify to an intention, see *Aston -v- Harlee Manufacturing Co.*, (1906) 103 CLR 391 at 401, and, as Mr Hall points out, these are fully supported by formal statements of intention to use. Further, I am not prepared to read into Ms Moutsias' failure to uncover current user, an initial lack of intention to use. As pointed out in *Aston -v- Harlee* (supra at 401)

[T]he making of the application itself is, I think, to be regarded as prima facie evidence of intention to use. I cannot think that the Registrar is called upon to institute an inquiry as to the intention of any applicant, and I think that, on an opposition or on a motion to expunge, the burden must rest on the opponent or the person aggrieved, of proving the absence of intention.

On the evidence, the opponent may have raised some doubt as to the applicant's motives in applying to register the trade mark PRESSWARE and it draws attention to an apparent lack of trade marked goods on the market. This may well point to sharp dealings or worse (which I will deal with shortly) and a current lack of use, but I do not accept that it creates anything beyond surmise so far as what may or may not have been Julzar's intentions at the filing date. I find that the evidence falls well short of demonstrating that Julzar filed two trade mark applications which it never intended to use, and I dismiss the opposition so far as it relies on this ground.

The 2nd ground That the applicant is not the proprietor of the trade marks sought to be registered and therefore not a person entitled under section 40 to apply for registration

The principles which determine this matter are laid down in *Moorgate Tobacco Co Ltd -v- Philip Morris Ltd*, (1984) 156 CLR 414 at 432

The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of 'proprietor' of a mark, is public use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods for the purpose of indicating or so as to indicate a connexion in the course of trade between the

goods with respect to which the mark is used and that person: ...
 The requisite use of the mark need not be sufficient to establish a local reputation and there is authority to support the proposition that evidence of but slight use in Australia will suffice to protect a person who is the owner and user overseas of a mark which another is seeking to appropriate by registration under the *Trade Marks Act*.

The first use that Pressware put forward to displace Julzar's proprietorship claim is the 1982 shipment of goods from the International Paper Company to Victoria. This is clearly a sale of goods to Australia - it is arguable, however, as pointed out by Mr Hall, whether this sale involved a use of the mark PRESSWARE. He also questioned the relationship between these companies. My difficulty with this sale, however, relates to the arguments on abandonment. While I am satisfied on the evidence that International Paper Company can be regarded as Pressware's predecessor, I have not been shown any continuity of use by International Paper Company over the 5 year period between 1982, when this sale took place, and 1987, when Pressware took over the intellectual property rights. There is nothing to establish any use during this period, and in light of the argument vigorously urged by Mr Hall in relation to the effects of abandonment, I do not consider this shipment sufficient to unseat Julzar's proprietorship claim.

The second use that Pressware puts forward are the samples shipped to Charles C. Borg & Associates and received on 29 October 1991. This date is some 5 months in advance of Julzar's application date. The invoice is exhibited under Borg CCB-1. It is headed up Pressware International, Inc and shows the opponent's Ohio address. The goods are described as: *1 Pressware Sample Kit : containing Pressed Paperboard Trays, Plastic Domes, Product literature. Sample purposes only : no-charge : not for re-sale.*

From the declaratory history I accept that these goods were despatched in order to offer Pressware's pressed paperboard trays and plastic domes, for sale to representatives of the fast food chains McDonalds and Pizza Hut. As per the *Moorgate case* (supra) and *Thunderbird Trade Mark* (1974) 48 ALJR 456, I am satisfied that this shipment of samples was for the express purpose of soliciting orders, and that the display of these

samples constituted a public offer for sale in Australia. The mark PRESSWARE is prominently used in the invoice to nominate the goods, and, contrary to Mr Hall's contentions, on this evidence I have no reason to conclude that reference to the mark PRESSWARE was expunged from the goods put forward at the meetings.

Mr Hall acknowledged the *Moorgate case* (supra) direction that

slight use in Australia will suffice to protect a person who is the owner and user overseas of a mark which another is seeking to appropriate by registration under the Trade Marks Act

but he submitted that one shipment was not enough. He did not point to any authority to support this submission, and I believe it runs contrary to the general spirit of the case law. Here, however, the evidence shows that the opponent's single sale is backed up with substantial international trade and that negotiations for developing Australian distributor arrangements were already under way. These negotiations materialised into a sales solicitation agreement which, Mr Borg declares (paragraph 11), was finally signed in 7 March 1992. Since the single sale is augmented by a public offer for sale and clear preparations and intentions to trade, I find that the requisite slight use is firmly achieved.

29 October 1991 is some five months earlier than 25 March 1992 (the date on which Julzar filed its two applications) and this shipment of samples does serve to unseat the applicant's proprietorship claim. Proprietorship claims can only prevail, however, to the extent that the same mark is applied *to the same kind of things* (*Re Hicks' Trade Mark* (1897) 22 VLR 636) and whereas the 1992 use of PRESSWARE was clearly for the subject mark, that use was confined to pressed paper food containers. To the extent of those goods, therefore, I find that the section 40 ground succeeds.

- The 3rd ground That the present applications constitute an illicit attempt by the applicant to appropriate the valuable property of the opponent
- The 4th ground Section 28(d) that the applications are not entitled to the protection of the court
- The 5th ground That the onus is upon the applicant to show that it is entitled to registration upon the application and the applicant has not discharged that onus nor can it discharge that onus

These grounds are inter-related, and I shall deal with them together.

The evidence of the Borg and Pugh declarations shows that in early 1992 Mr Morton expressed interest in becoming a dealer for Pressware. Mr Borg says that Mr Morton was 'interested in taking over distribution [of Pressware products] for the whole of Australia'. He asked for Mr Borg's customer list. Mr Morton and his New South Wales manager had a second meeting with Mr Borg where discussions continued and Mr Morton was furnished with a number of samples. Mr Hall points out that the meetings took place at unspecified dates and may well have occurred after Julzar filed its application. If that is so, then the allegation of any bad faith at filing would flounder. Mr Morton, however, has not provided any details to establish these dates. Nor has he repudiated the Borg and Pugh accounts. Mr Hall therefore asks me to turn my back on declaratory evidence and adopt a proposition based on nothing more than surmise. This, I am not prepared to do. Julzar had the opportunity to supply that detail, and if the account in the Borg and Pugh declarations is misleading, then it is up to the applicant to clarify those points. It is not the Registrar's duty to make assumptions in the applicant's favour, and that must particularly apply when, as here, the applicant has not provided me with any facts. It seems to me that on the history, Pressware has reason to claim that Julzar is attempting an illicit appropriation of its property. The evidence as I read it indicates that Mr Morton put himself forward as a prospective distributor for Pressware's goods, and then applied to register that company's trade marks as trade marks for his own company. Action of this kind goes beyond sharp business practice.

As applicant, the onus lies with Julzar to justify its applications. To do so it must reply to these issues of illicit appropriation. It has not done so, but has elected instead to have Mr Hall provide me with a string of suppositions. Faced with the uncontroverted declarations from Mr Borg and Mr Pugh, I find these suppositions unconvincing and I reject them. The onus that lies with Julzar to answer the ground of illicit appropriation has not been discharged, and on the 3rd and 5th ground I find for the opponent.

It follows from these findings that the Julzar applications would not be entitled to protection in a court of justice, and, in respect of s28(d) and the 4th ground, I again find for the opponent.

Having fully upheld the opposition in respect of grounds, 3, 4 and 5, I refuse to register these trade marks. The 6th ground falls as irrelevant.

Costs

Mr Hall made submissions that, because a number of the grounds of opposition were withdrawn, costs should be awarded against the opponent, even in the event that the opposition succeeded. Dr Belyea did indeed open his address by deleting a number of grounds. However, as he said in response, it is common practice for notices of opposition to state grounds well beyond those that the evidence finally meets, and it is not usual to treat these oppositions as if they were at fault. Further I draw attention to the fact that the opponent had served evidence which established the extent of support for the opposition grounds. The removal of unsupported grounds should therefore not come as a surprise. I decline Mr Hall's submissions and award costs to the opponent.

Helen R. Hardie
Deputy Registrar
21 July 1995