



TRADE MARKS ACT 1955

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

Re: Opposition by MACDONALD AND MUIR LIMITED to the registration of trade mark application number 591745 in the name of CLAREVALE ISAIA PTY LTD

As provided for 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, unless otherwise specified, any reference to the Act in this decision is a reference to the *Trade Marks Act 1955*.

This matter concerns trade mark application which was lodged on 4th December 1992 in the name of Clarevale Isaia Pty Ltd (the applicant) and sought registration of the word mark QUEEN OF SCOTS. Acceptance of the mark in respect of “scotch whisky”, in class 33, was advertised in the *Australian Official Journal of Trade Marks* of 27th April 1995. The acceptance advertisement shows that the mark has been accepted under the provisions of sub-s 34(1) and bears an endorsement that registration of the mark is limited to the State of Western Australia.

On 24th July 1995, a notice of opposition to registration of the mark was lodged by MacDonald and Muir Ltd (the opponent). Seven grounds of opposition are stated, but the opponent concentrated only on the grounds based on s 33, that the opponent was the registered proprietor of virtually identical mark **QUEEN OF SCOTS** in respect of the same goods, and on s 34, that the applicant was not entitled to rely upon those provisions of the Act in order to achieve registration of its mark.

The evidence

No evidence in support of the opposition was served by the opponent. The applicant, however, lodged evidence in answer on 7th March 1996. This evidence consists of a statutory declaration by James Isaia, dated 19th February 1996 (as Mr Isaia lodged a statutory declaration in support of the provisions of sub-s 34(1) before acceptance of the present application, I will identify this declaration as Mr Isaia's second declaration) and a statutory declaration, with an exhibit, by Richard Kurland, dated 23rd February 1996.

Mr Isaia, a director of the applicant company, declares that the declaration is made as a supplement to his statutory declaration of 16th February 1995 (Mr Isaia's first declaration, mentioned above). He says that the subject mark was coined honestly by the applicant in May 1981, and that it was only in 1991 that the applicant became aware of the opponent's registration B113206. The first time the opponent had contacted the applicant in relation to the mark had been by a letter of 7th May 1993 from the opponent's attorneys. With reference to his declaration of 16th February 1995, he states the applicant had used the mark extensively in the State of Western Australia before lodging this application and had continued to do so since that time. Further, the applicant was not aware of any instances of confusion of the marks in that state and that fact, he says, has been supported by Mr Kurland's declaration. He provides sales value of the goods from October 1987 to December 1993. He expresses the view that the cost and relative inconvenience to the applicant would be "very great", given that the applicant had steadily built up its reputation and goodwill associated with the mark over a period of fifteen years.

Mr Kurland is the proprietor of Intellectual Property and Anti-counterfeiting Services, who, at the end of 1995, had been instructed by Wray & Associates to conduct an investigation into the use of the mark QUEEN OF SCOTS in the State of Western Australia. His investigations had revealed that the marks QUEEN OF SCOTS and HIGHLAND QUEEN were well known as two different marks for whisky in Western Australia. The whisky bearing the mark HIGHLAND QUEEN was associated with the opponent, while the subject mark was identified as the mark of the applicant. These investigations failed to reveal any instances of impression in the minds of a number of Hoteliers and Liquor Retailers

that there were two different parties selling QUEEN OF SCOTS whisky. Mr Kurland has listed the liquor outlets concerned with their addresses.

The hearing on the matter was set down in Canberra on 11th December 1996. Mr Wayne Willis of F B Rice & Co, patent and trade mark attorneys of Sydney, appeared for the opponent. The applicant was represented by telephone by Mr John King of Wray & Associates, also patent and trade mark attorneys, of Perth.

Submissions

At the commencement of his submissions, Mr Willis, on behalf of the opponent, explained that, as the opponent contended the present application had been accepted in error, it had elected not to lodge the evidence in support of the present opposition.. That factor raised the initial question of whether or not, in such circumstances, the applicant was then entitled to rely upon the evidence in answer. Neither the Act nor the Regulations were particularly clear on this aspect. The opponent was therefore requesting a ruling on the matter.

By lodging the evidence in answer, Mr Willis submitted, the applicant had improved its position in relation to s 34, because initially the applicant had not given any evidence or statement on the honesty of adoption of its mark. That was the major point on which the opponent relied in arguing that the subject application had been incorrectly accepted. If the Registrar was prepared to find that the evidence in answer could be received in such circumstances and the applicant's mark was, in fact, to proceed to registration, then, in the opponent's view, this matter should sound in costs to the applicant.

Dealing first with the meaning of the concurrent user, Mr Willis directed my attention to *Trepper and Others v Miss Selfridge Ltd* 23 IPR 335; (1992) AIPC 90-863. In that case the hearing officer had relied on "*L'Amy*" Trade Mark [1983] RPC 137, at p 145, stressing the necessity of the concurrent use of the competing marks so as to satisfy the requirements of sub-s 34(1) of the Act.

Mr Willis cited *Canon Kabushiki Kaisha v Brook and Another (t/a Cannon Watch Company)* 30 IPR 525; 1994 AIPC 91-107, where the hearing officer, in considering an application under sub-s 34(1) of the Act, had applied the five tests set forth in *John Fitton & Co Ltd's Application* (1949) 66 RPC 110. He then proceeded to make submissions in light of those tests.

In turning to the honesty of adoption of the applicant's mark, Mr Willis said that there seemed to be no reason to suggest the mark was adopted dishonestly. He observed that not a great deal has been said about honesty of adoption in the decided cases. It was difficult to imagine, he said, what an applicant would have to do to dishonestly adopt a trade mark, noting that prior knowledge of the existing registration was not an indication of dishonesty of adoption. However, the opponent wished to direct my attention to the lack of statement in relation to honesty of adoption at the time of acceptance the present application, and that this defect might only be cured, if at all, by the statement in Mr Isaia's second declaration.

Concerning the quantum of concurrent user, Mr Willis argued that the applicant had not, in fact, shown any evidence of concurrent user within the understanding of this expression in *Trepper v Miss Selfridge*, supra. The evidence before the Registrar showed that there was either no use, or no significant use of the opponent's registered trade mark in Western Australia as at the critical date, 4th December 1992. Although two declarants in the trade declarations had indicated knowledge of use of the mark QUEEN OF SCOTS by the opponent, in view of the contents of the remainder of those declarations it could be taken as a mistake. He noted that Mr Isaia had attested to no knowledge of use of the opponent's mark at the relevant time and, more importantly, Mr Kurland's investigations had failed to reveal such use.

Not only was there no evidence of the concurrent use of the subject mark, Mr Willis continued, but also the applicant had not shown sufficient quantum of use as at 4th December 1992. The evidence of quantum of use prior to that date was restricted to Mr Isaia's first declaration, where the declarant stated the mark was first used in 1981, but prior

to 1987 there was only evidence of bottle labels being purchased, which did not disclose anything very convincing about the sales, or where those sales occurred. From 1987 until December 1992, the evidence showed the applicant's product was apparently not available on the open market in Western Australia, but was limited only to one particular outlet, or the outlets of one particular chain at any one particular time. Mr Willis then discussed the sales of the product, drawing the conclusion that unless the situation had dramatically improved in the recent years, Mr Isaia's claim in his second declaration that the failure of the present application would be to the detriment and even viability of the applicant was difficult to take seriously. In any event, he said, the totality of sales over an extended period of time was not of as great relevance for honest concurrent user as what took place immediately before the lodging of the application, as had been made quite clear in *Gloy and Empire Adhesives Ltd's Appn* (1934) 51 RPC 63. In that case, an application for registration of the mark under honest concurrent user was refused because, although the trade mark in question had been used for very many years prior to the date of the application, use had fallen to a small volume at the time of lodging it. Focussing on the sales position of the applicant's goods immediately prior to the date of the application, he commented, it was evident that the sales under the subject mark were going through a period of decline.

On the test concerning the degree of confusion, Mr Willis noted that the marks under consideration were substantially identical and covered exactly the same goods. In such circumstances, he said, the applicant ought to be required to make a reasonably convincing case for honest concurrent user and, certainly, adequately address all of the aspects required under sub-section 34 (1).

As far as the opponent was aware, no instances of confusion of the marks were known, Mr Willis commented.

Discussing the relative inconvenience aspect, Mr Willis submitted that the opponent's mark had been registered in Australia for decades. The use of the applicant's mark could therefore amount to infringing use, even though it should be honestly admitted the opponent had not commenced infringement proceedings against the applicant. The applicant had been

supplying its product, which appeared to be at the cheaper end of the scale, to an exclusive outlet in Western Australia and, presumably, had some kind of goodwill established with that particular outlet. In the opponent's view, the inconvenience to the applicant in adopting an alternative trade mark would not be particularly great. It needed only to introduce any new product in a single outlet rather than go through the type of complicated procedure that would apply if the product was sold in the open market place to a wide number of different sorts of outlets. This would certainly minimize the degree of inconvenience involved.

The opponent requested that costs be awarded to the successful party.

Mr King, for the applicant, submitted that the evidence lodged during prosecution of the present application implicitly dealt with the five relevant issues to which Mr Willis had referred. The evidence lodged as the evidence in answer had really consolidated the issues that perhaps were implicit during the prosecution. In his opinion, it would be appropriate for me to consider both the evidence presented during examination of the mark and that forming the evidence in answer. It was important to consider the latter evidence, because the notice of opposition identified a number of issues which needed to be addressed by the applicant to enable full assessment of those issues.

Dealing with the matter of honesty of adoption of the subject mark, he said that such a statement was certainly implicit in Mr Isaia's first declaration. In addition, the exhibits clearly showed that there was correspondence between the applicant and external parties in relation to adoption of the mark. There were statements regarding the manner in which the applicant adopted the mark, and therefore the requirement for honesty of adoption had been fulfilled. In the second Mr Isaia's declaration, the relevant statement was included in para 3 and supported the implicit evidence filed during prosecution of the application.

Responding to Mr Willis' submissions on the aspect of concurrent user, he acknowledged that the two trade declarations had referred to some knowledge of the opponent's registered mark. There was no evidence, however, that the marks could not exist side by side. Mr Kurland had reinforced that fact by stating that persons in a number of outlets had

been aware of both marks, but that there had been no confusion. The applicant's position on that point therefore was very strong.

In relation to the quantum of concurrent use, Mr King said that the applicant operated in the market of Western Australia where the particular industry was extremely competitive. In relative terms, the applicant had a very strong market presence, trading in major outlets. The applicant did acknowledge the rise and fall in the extent of use of the mark before the critical date, but it considered that factor, as well as where the use occurred and the totality of sales of the goods, as immaterial. The important issue, according to Mr King, was the competitive market and the applicant's strong position in that market, which had goodwill in the mark associated with it.

In relation to the degree of confusion of the marks, Mr King acknowledged the fact that the marks in question, the goods and the locality of their use were identical. He again reminded me of the strong use of the applicant's mark in Western Australia, where there had been no instances of confusion.

On the matter of relative inconvenience, he said that it would indeed be inconvenient for the applicant to face an infringement action. It was extremely difficult for traders to get their products into major outlets. If the applicant needed to change its mark, the major outlet, which supported the product, would also be disadvantaged as it had invested money in advertising the products it sells, including the applicant's product. The loss of the market opportunity, reputation and goodwill that had been built up since 1981 would indeed cause the applicant considerable difficulties, if it was compelled to change the mark.

Mr King then turned his attention to special circumstances, saying that at the time of adopting the mark in 1981 the applicant did not know of the existence of the opponent's mark. It had first become aware of the mark in 1991, and from the evidence it was clear that, in relative terms, there was extensive use of the mark in Western Australia. In exercising his discretion under the provisions of sub-s 34(1), the Registrar was requested to take those special circumstances into account.

In response to Mr King's submissions, Mr Willis commented that Mr Kurland's declaration certainly suggested that the products of the opponent and applicant had co-existed without apparent confusion, but that it was his understanding that the opponent's product in question bore the mark HIGHLAND QUEEN.

Further, the opponent was trying to make the point, Mr Willis said, that it was not whether or not the distribution of the applicant's product was a major outlet, but rather whether it was an exclusive outlet. In an exclusive outlet the product was only available through a particular chain of outlets, and therefore the trade mark was only exposed to a section of the public that shops in that chain of store. The opponent therefore wished to stress the limited spread of the trade mark throughout the relevant market place in Western Australia, rather than that the outlet for the applicant's products was small and insignificant.

With reference to Mr King's submissions on the special circumstances factor, Mr Willis expressed the view that, should the Registrar decide those provisions could be applied to the application, then that should still sound in the question of costs. Costs should not be awarded against the opponent in circumstances where the application had been accepted under the honest concurrent user provisions, but that at the termination of the opposition proceedings the opponent found the application could be accepted under the special circumstances provisions.

Decision

As sought by the opponent, I must first decide whether, in the absence of the evidence in support of the current opposition, the applicant was entitled to lodge the evidence in answer.

Under the provisions of para (a) of reg 44:

44. An applicant shall:

(a) serve on the opponent, within three months after the date on which the declarations of the opponent were served, a copy of each of the declarations on which he relies in answer to the opposition ...

In the present proceedings, the opponent had chosen not to serve on the applicant any evidence in support by the due date, pursuant to para (a) of reg 43 which reads:

43. An opponent shall:

(a) serve on the applicant, within three months after the notice of opposition has been lodged at the Trade Marks Office, a copy of each of the declarations on which he relies in support of his opposition...

Both of these regulations specify that the respective evidence is intended to support the opposition, so that the applicant would be in a position to address any grounds raised in the notice of opposition, even if no evidence in support had been served on it. This situation is clearly distinguished from the provisions of para (a) of reg 45, whereby the opponent may serve on the applicant “declarations on which he relies in reply to the declarations of the applicant”. The material included in the evidence in reply therefore should be confined only to matters raised in the preceding evidence (see *Legal and General Life of Australia Ltd v Carlton-Jones & Assoc Pty Ltd* [1986] AIPC 90-268).

Having found that by serving the evidence in answer the applicant did not contravene the relevant regulations, I will consider the material contained in the evidence in answer, bearing in mind the opponent’s allegation that the applicant had utilized the evidence in answer as a means of improving its case in relation to sub-s 34(1).

Sections 33 and 34

The opponent’s registration B113,206 for the mark QUEEN OF SCOTS, the goods being “scotch whisky”, dates back to 11th March 1953. Consequently, the present application, which is seeking registration for a substantially identical mark in respect of the same goods and has a lodgment date post that of the opponent’s mark, offends against the provisions of s 33 of the Act. Sub-s 34(1), however, overrides objections under s 33 based on a prior registration. Those provisions state:

34(1) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do, the Registrar may permit the registration of trade marks which are substantially identical or deceptively similar, or,

but for the honest concurrent use or other special circumstances would be deceptively similar, for the same goods or services or other goods or services, by more than 1 proprietor subject to such conditions and limitations (if any) as the Registrar imposes.

As the opponent's and the applicant's marks exhibit the "triple identity" factor, i.e. the marks are almost identical, the goods are the same, and the areas of use of the marks potentially overlap, in order to succeed in registering its mark, the applicant is obliged to make out an impressive case, as recognized by Mr Willis. The applicant therefore has a heavy onus of satisfying all the criteria pertinent to the matter.

Mr Willis has already referred to the five tests in relation to sub-section 34(1), set out in *Fitton* case, supra, based on the decision of the House of Lords in *Alex Pirie & Sons Ltd's Appn* (1932) 49 RPC 195; (1933) 50 RPC 147, which are to be considered for the purpose of deciding whether a mark may be registered in terms of those provisions. I propose to discuss the criteria in the sequence included in that case and in light of all the available evidence in support of the provisions, together with the submissions from the parties concerned. The tests to be taken into account are:

- (1) The quantum of concurrent user shown by the applicant having regard to the duration, area, and volume of trade and to the goods concerned,
- (2) the degree of confusion likely to ensue from the resemblance of the applicant's and opponent's marks,
- (3) The honesty of the concurrent user,
- (4) whether instances of confusion have been proved, and
- (5) the relative inconvenience which would be caused to the parties if the applicant's mark should be registered.

In the present circumstances it will be appropriate to discuss the first and the second factors together.

For the purpose of showing honest concurrent use, the relevant period of use of the mark is prior to the date of the application of the party seeking to establish a case under the honest concurrent user provisions - "*Granada*" *Trade Mark* [1979] RPC 303. The use of the applicant's mark is therefore to be considered before 4th December 1992. There is no

question that the sales of the applicant's scotch whisky have been confined to Western Australia. Even though, according to Mr Isaia's first declaration, the applicant's mark was first used in 1981, at least 20,000 labels of the mark were imported from overseas before 1985, and sales of the scotch whisky bearing the mark were made to small liquor outlets in Western Australia until 1987, no actual details are provided by the declarant as to the value of those sales. From October 1987 to August 1990, the applicant supplied its product to Liquorland, a subsidiary of Coles Myer Ltd, amounting to the value \$823,455.00 (68,148 bottles, the average sale price per dozen being \$145.00). From July 1991 to September 1993, the product was supplied exclusively to Australian Liquor Marketers (Foodland). Subsequently, the applicant included the product on its own price list whilst continuing to supply to its exclusive outlet. During the period July 1991 to December 1993, sales of the product reached \$1,185,230.00 (98,088 bottles, the average sale price per dozen - \$145.00). The applicant is said to have advertised its product in newspapers, liquor retailing catalogues, shop front advertisements and in-store promotions, but has failed to give any figures of the advertising expenditure.

As the supporting declarations have been dated in January 1995, from my estimation, it appears that only sixteen of those declarants have known the subject mark before the relevant date. The periods of their familiarity with the mark range from approximately two to twelve years.

The total sales of the product made available by the applicant have been modest, given its distribution in Western Australia which, according to *The SBS World Guide*, 5th edition, in September 1994 had a population of 1,710,000, and the fact that scotch whisky is not known to be consumed in very large quantities. In the absence of separate annual sales figures, it is impossible to estimate the value of sales of the product bearing the mark prior to the relevant date. Considering the number of sold items per annum included in the evidence, however, the sales of the applicant's product have experienced chequered history, and, comparing the number of bottles sold to the applicant's exclusive outlet, 5,966 dozen from July 1991 to June 1992, and 1,440 dozen between July 1992 and June 1993, the sales of the product appear to have experienced a rather bleak period before the lodgment date of

the application. No explanation has been furnished by the applicant for this sharp decline in volume of the sales. Overall then, and being mindful of the limited spread of the trade mark in the relevant market place, as noted by Mr Willis, I find that the extent of use of the applicant's goods has not been impressive prior to the date under consideration. This factor, however, does not determine the issue in suit, as the applicant's use of the mark must be concurrent with that of the conflicting mark to enable the Registrar to weigh the likelihood of deception or confusion "by the registration and user of the Applicants' Mark and the period and extent of the Opponents' user against the period and extent of the Applicants' user" - *Gloy and Empire Adhesive*, supra, at p 71.

Both Mr Isaia's second declaration and Mr Kurland's declaration, as well as trade declarations, indicate that the mark QUEEN OF SCOTS has been associated in Western Australia exclusively with the goods of the applicant. In addition, Mr Kurland's investigations had revealed that in Western Australia the mark, which was associated with the opponent's scotch whisky, was HIGHLAND QUEEN and not QUEEN OF SCOTS. In fact, the applicant's evidence demonstrates the opponent has not used its mark during the period of use of the applicant's mark. That evidence has not been repudiated by the opponent. In this regard, Mr Willis has referred to "L'Amy" case, supra, which is relevant to the matter in hand, where Mr Myall, discussing sub-s 12(2) of the U.K. *Trade Marks Act 1938*, equivalent to sub-s 34(1) of the *Trade Marks Act 1955* in Australia, enunciated, at p 145:

"Since there is no evidence that [the opponent's] mark has ever been put into use, I do not think there can be said to have been any 'concurrent use' at all. In my view that phrase means that the applicants' use must be concurrent with the opponents' use, not that the applicants' use has been concurrent with the opponents' registration. Even if the opponents' registered mark has been put into use it would not have been concurrent with the applicants' use since, on the opponents' evidence, the parties' goods have never been sold through the same trade channels; the word concurrent has not the same meaning as contemporaneous and is not, in my opinion, to be limited as if it did. The provisions of s 12(2) are designed, it seems to me, to recognise and take account of the fact that the relevant public can, by familiarity brought about by concurrent use, learn that there are two similar marks in use and so be educated to the need for examining them with more than ordinary care, and thus to distinguish between them. This requires that the same public have met both marks in the marketplace and that the opportunities for doing so have existed long enough to provide a reasonable opportunity of assessing 'the degree of confusion likely to ensue

from the remembrance of the marks which is to a large extent indicative of the measure of public inconvenience' (to quote one of the matters to be taken into account under the subsection and laid down by Lord Tomlin in *Pirie's Application* [1933] 50 RPC 1470 it being recognised that some degree of confusion is likely. Where, as here, there has been no use of one of the marks or where, again as here, the parties' goods have not been sold side by side in the same market, there has not been any opportunity of testing what degree of confusion is tolerable in the public interest. While the test under s 12(1) rightly assumes user of the registered mark for all the goods for which it is registered, I do not think it right to make such an assumption for the purposes of s 12(2) where the essence of the test is what has actually happened, from which it might be assessed what is likely to happen. In this regard it is more akin to the test under s 11 which may help to explain why concurrent user of a mark, if honest, can accrue to the benefit of its owner and help to overcome any objection initially taken under that section. As a practical matter, the assumption of user of the registered mark succeeds inter partes under s 12(1) and s 12(2) is invoked in reply, I think the matter is at large again and the discretion conferred on the registrar by the subsection must be exercised de novo."

In light of Mr Myall's findings, while the leading and the trade declarants (with two doubtful exceptions, which I dismiss for the reasons pointed out by Mr Willis), have attested to the fact that the subject mark has been in use in the markets of Western Australia only by the applicant and, given that this mark, has, in my opinion, achieved reasonable exposure in that state, in the absence of the opponent's evidence of use of the mark, I must conclude that no concurrent use of the two marks has, in fact, occurred, and therefore no assessment can be made as to the degree of confusion of the marks amongst the members of the public purchasing the goods of interest.

(3) The applicant's honesty of adoption and use of the mark are of primary importance in achieving its registration under the provisions being considered, as stated in *Foodland Associated Limited v John Weeks Pty Ltd* (1988) AIPC 90-466, at p 38,122:

"This is perhaps the most critical factor to be assessed in considerations of this kind, 'for if the concurrent use is not honest it is as nothing': per Mr Myall in the '*Granada*' case (1979) RPC 303 at 313."

Quoting from Mr Isaia's first declaration:

"4. Before commencing use of the mark "QUEEN OF SCOTS" in 1981, representatives of the Company made enquiries in the liquor trade to establish whether any other parties were already using the mark in the trade. The enquiries revealed that no other parties were using the mark. Accordingly, the Company proceeded to adopt the mark in 1981.

5. In August 1991, the Company instructed its patent attorneys, Wray & Associates of 239 Adelaide Terrace, Perth to conduct a search of the Trade Marks Office records to determine the availability for registration of the mark “QUEEN OF SCOTS” in respect of scotch whisky.

Wray & Associates reported the results of the search to the Company in a letter dated 8 August 1991. It was at this time that the Company first became aware of registration B113296 (QUEEN OF SCOTS) in the name of MacDonald & Muir Ltd.”

The declarant then refers to labels bearing the mark imported from the United States of America from 1981 to 1985 and attaches to his declaration a number of samples of invoices and correspondence from the period in relation to those labels.

The opponent has not challenged the actual honesty of adoption of the mark. It has contended, however, that the provisions of honest concurrent use were not appropriately applied to the present application, because Mr Isaia’s first declaration in support of sub-s 34(1) had omitted the reference to honesty of adoption of the subject mark, and that the applicant had taken advantage of the opportunity to present the evidence in answer to correct the defect. I cannot agree with this proposition.

In the statutory declaration, which forms part of the evidence in answer, Mr Isaia says in relation to the matter:

“3. The trade mark “QUEEN OF SCOTS” was coined honestly by the Company in May 1981. At this time the Company was not aware of any other parties using the trade mark in Australia.”

While Mr Isaia specifically uses the term “honestly” in this clause, as I understand it, the wording of the clause does not really expand the information on adoption of the mark, as stated in clause 4 of Mr Isaia’s first declaration, nor does it alter the meaning or essence of the original statements. I find therefore that the applicant has satisfactorily met this requirement.

(4) No evidence or submissions of actual instances of confusion have been presented by either party. As indicated previously, the applicant, apparently, did not know of the

existence of the opponent's mark until August 1991, by which time both marks in conflict would have been expected to have been used in Western Australia for over ten years.

(5) On the balance of inconvenience aspect, the opponent's arguments focussed on the applicant's limited market offering for sale the applicant's product bearing the subject mark, which, it asserted, would reduce the degree of inconvenience for the applicant, should it need to alter its trade mark. Despite the niche market of the applicant's goods and the diverse fortunes in their sales, however, by using the mark since 1981 the applicant has established a degree of reputation and goodwill in its mark in Western Australia. In the event of failing to register the mark, the applicant's goodwill would dissipate, it would suffer financial losses as well as the inconvenience of potential infringement proceedings.

The opponent did not advance any arguments as to likely hardship likely to be experienced by it if the subject mark did proceed to registration. In such a case, some obvious inconveniences to the opponent might be: the dilution of its rights in the trade mark or having to take steps in redesigning the label of its product to minimise any confusion (*Australian Law of Trade Marks*, supra, p 206). In the absence of a situation which would have rendered use of the opponent's mark concurrent with the applicant's mark, as discussed, I do not think the inconvenience to the opponent would be as damaging as to the applicant.

Special circumstances

The present application was accepted under the provisions of the first arm of sub-s 34(1) of the Act - "honest concurrent user". The applicant's lodged evidence during examination of the mark and the evidence in answer have been directed to that arm of the provisions. In *Australian Law of Trade Marks and Passing Off*, 2nd edition, by D R Shanahan, the author says, at p 207: "It would seem that a special circumstance might comprise any aspect of the applicant's use tending to minimise the risk of confusion or showing particular hardship." In support of a case for "special circumstances", Mr King emphasized the long use of the applicant's mark and the fact that at the time of deciding on the nature of the mark

, the applicant had not heard of the opponent's mark. These circumstances have already been considered by me in relation to the tests concerning the honest concurrent user matter. In any event, in my opinion, circumstances argued by Mr King, would not constitute "special circumstances" within the meaning of sub-s 34(1).

Conclusion

As has been elucidated in "*L'Amy*" case, supra, the provisions of sub-s 34(1) anticipate that the applicant's use of the mark be concurrent with the use of the opponent's mark at the date of the present application so that, after a sufficient period of time, the interested members of the purchasing public would have become acquainted with the marks so as to distinguish them. The passage extracted from that case, which I have quoted earlier, also explains that during the examination process, normal and fair use of the applicant's registered mark is assumed for the purposes of that sub-s, as is done in terms of s 33 when determining the likelihood of deception or confusion of the marks. If, however, in opposition proceedings the evidence is lacking to the effect that the prior registered mark has not been used by the opponent, then the provisions of s 34(1) cannot be invoked.

I have not been able to find there has been use of the applicant's mark concurrently with the use of the opponent's mark, nor do I consider that the provisions of special circumstances in sub-s 34(1) apply to use of the applicant's mark to enable its registration. It follows therefore that, notwithstanding a number of significant factors I have found in favour of the applicant, the applicant's mark is not entitled to registration under the provisions of sub-s 34(1) of the Act. Consequently, I have no option but to refuse registration of the mark of the present application.

The opponent having been successful in the proceedings, I award costs to that party.

Hearing Officer
28 February 1997