



## TRADE MARKS ACT 1955

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

Re: Opposition by CONQUIP HOLDINGS PTY. LTD. to applications by S. & A. RESTAURANT CORP. for an extension of time for serving evidence in answer in support of opposition to registration of trade mark applications numbers 594459 and 594460

As set down by 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, the authority I refer to is the *Trade Marks Act 1955*.

S & A Restaurant Corp (S & A), lodged applications numbers 594459 and 594460 on 20th January 1993 to register, respectively, trade marks BENNIGAN'S GRILL and BENNIGAN'S in respect of statements of goods subsequently amended to: "restaurant services; preparation and service of foodstuffs and alcoholic and non-alcoholic beverages; take-away and eat-in food services", in class 42. Acceptance of the marks was advertised in the *Australian Official Journal of Trade Marks* of 15th December 1994.

On 9th March 1995, Conquip Holdings Pty Ltd (Conquip) lodged notices of opposition to registration of the marks of both applications in terms of section 49, therefore under the provisions of regulation 43, service of the evidence in support was due on 9th June 1995. An extension of time for serving the evidence was allowed until 9th September 1995, and part of the evidence in support was served a day before that time expired. Conquip requested a further extension of time to 12th December 1995 to which S & A objected. Following a hearing on the matter, the extension of time application on each case was successful. In view of the delays in issuing the decision on the matter, on 12th February

1996 the senior examiner determined that the date for serving the evidence in answer was to be three months from the date of the decision, i.e. 12th May 1996. On 8th May 1996, S & A requested and were allowed an extension to 12th August 1996 and subsequently made two further successful applications taking the time for serving the evidence in answer to 12th November 1996. When it requested another one month's extension of time to 12th December 1996 in relation to the applications, Conquip objected to it and forwarded written submissions in a letter date 29th November 1996. Conquip then applied for a hearing on the matter.

The hearing was held in Melbourne on 3rd February 1997. Mr John McCormack of Griffith Hack, patent and trade mark attorneys of Melbourne, represented Conquip. Mr Graham Cowin of Phillips Ormonde & Fitzpatrick, also patent and trade mark attorneys of Melbourne, appeared for S & A.

### **Submissions**

The written submissions of 29th November 1996 on behalf of Conquip may be summarised as:

- S & A has already had an extensive period of time to prepare and serve the evidence in answer. Given that the evidence in support was not of onerous length or content, a further period of time beyond nine months is not warranted.
- The reasons put forward in the application do not constitute a proper case or justify the extension of time. The affidavit lodged in support of S & A's applications, inter alia, refers to the United States attorney's involvement in a separate US litigation matter as contributing to the delay. That is not a sufficient justification for an extension of time. In support, reference is made to *Diamond Scientific Co v CSL Ltd* (1992) AIPC 90-927, where a delay of five months in carrying out a specific act before the Patent Office during an opposition was caused by the attorney's absence from her practice. That attorney was refused leave to carry out the specific act. The Delegate of the Commissioner of Patents had also made a comment that there was apparently no one in her firm of patent attorneys prosecuting the opposition in her absence.
- Since Conquip has been continuously using the mark BENNIGANS for several years, the mark has become well known to the public in connection with Conquip services. Accordingly, further delays create uncertainty for Conquip's business and prolong the potential for confusion in the minds of the public in respect of the marks under consideration.

In commencing the submissions at the hearing, Mr McCormack first reminded me of the two leading cases in relation to extensions of time under the provisions of section 130 of the Act: *Mitty's Authorised Newsagency v The Registrar of Trade Marks* (1983) 50 ALR 495 and *Vangedal-Nielsen v Smith (Commissioner of Patents)* 1980 33 ALR 144. He then cited *The Australian Olympic Committee Inc v Brennan* 30 IPR 44, where the Assistant Registrar Helen Hardie considered an extension of time matter for serving the evidence in support under the following five criteria:

1. The length of time already allowed
2. The reasons put forward to justify the extension
3. The seriousness of the opposition
4. The inconvenience likely to be suffered by the two parties; and
5. The public interest in the matter.

It will be convenient to summarise both Mr McCormack's submissions and Mr Cowin's responses to the written as well as oral submissions under each of those headings.

1. Mr McCormack pointed out that no evidence of any kind as evidence in answer had been received by Conquip as at the date of the hearing. The time was well after the time for which the extension was being sought. The same evidence in support as served in relation to the section 23 removal proceedings on registration number 376352 was served on the present opposition proceedings, except for an additional statutory declaration by Mr Bill Lambropoulos which was served on 1st November 1995. Accordingly, S & A had been in possession of the entire evidence in support for over twelve months before the commencement of the one month's extension of time sought in the present disputed extension application.

There was an increasing onus on behalf of the applicant for the extension of time as time went on and more extensions were allowed, Mr McCormack said, and in this regard he referred to the current *Trade Marks Office Draft Manual of Practice and Procedure*, where in Part 50, para 5, it is stated that under the 1955 Act sterner measures were gradually applied to extension of time matters when the time allowed reached twelve months. In support of this proposition, he cited *ACI Australia Ltd v Shelm*

*Merchandising Co Pty Ltd* 32 IPR 563 and *Sporoptic Pouilloux SA v Arnet Optic Illusions Inc*, an unpublished Trade Marks Office decision issued on 10th November 1994. The applications for the extension appeared to indicate that S & A was not seriously pursuing the matter: the reasons given that the party had other important things to do and was too busy, as stated in Mr B Joseph Schaeff's affidavit, showed lack of diligence (*ACI Australia v Shelm*, supra). S & A had failed to indicate when the evidence would be lodged or what form it would take. He reminded me that applications for an extension of time had been refused in cases where it was only the second extension of time if there had been no good reasons put forward to support the application, for example: *Lord Bloody Wog Rolo v United Artists Corp* (1988) 11 IPR 516 and *Virtual Reality v W Industries Ltd* (1994) 28 IPR 455.

Mr Cowin disagreed with the argument that the extension of time already granted to S & A had been inordinate. If the sought extension were to be allowed, it would have had a total of ten months within which to serve its evidence in answer. By referring to *Australian Olympic Committee v Brennan*, supra, Mr Cowin noted that a period of nine months for service of the evidence appeared to be regularly allowed and that the additional one month now sought was not difficult to justify.

Conquip's suggestion that no further time was required because its own evidence in support was not of onerous length was largely irrelevant, Mr Cowin said. The details for compiling a declaration could often take very much longer than the actual drafting of a declaration.

While the evidence had not been served within the extended time under objection, it was proposed to serve it on the opponent within the next few days and certainly before 12th February 1997, Mr Cowin stated. S & A had applied for further extensions of time to cover that period. Even the further two months extensions beyond the current one, which would take the total time to twelve months, would not be extraordinary taking into account the thirty-three months allowed in *Bundy American Corp v Rent-A-Wreck (Vic) Pty Ltd* (1985) 5 IPR 307 and thirty-two months in *Jonathan Sceats Designs Pty Ltd's Appn* (1989) 15 IPR 59.

2. In Mr McCormack's view, the reasons for the extension of time were patently inadequate. The only reason put forward was the pressure of too much work and that the endeavours of the United States instructing attorney responsible for the matters of the trade marks for S & A were diverted to an unrelated matter. A claim that an attorney was too busy, or was encountering pressure of work, or that other matters took precedence, had not been sufficient for the grant of an extension of time in cases such as: *Austoft Industries Limited v Cameco Industries Inc* 29 IPR 425, *Kimberly-Clark Corporation v Procter & Gamble Co* 20 IPR 425 and *Kimberly-Clark Corporation v Procter & Gamble Co* 26 IPR 581. The evidence in answer matter could have been delegated to other members in the firm of the US instructing attorneys which had fourteen attorneys, including seven partners and one patent agent, as evidenced by the letterhead, Mr McCormack said and tendered a copy of the firm's stationery. Moreover, the reasons put forward did not constitute anything special or out of the ordinary. It was expected in major, full-service law firms that important and urgent matters arise on a regular basis, and the firms have the resources to cope with such situations. In the past, reasons relating to what was occurring in overseas jurisdictions and the pressure or work relating to activities in overseas jurisdictions had not been sufficient to support the grant of an extension of time - *Kimberly-Clark v Procter & Gamble*, supra, nor had the pressure of work and the responsible person's absences from the office - *Austoft v Cameco*, also supra. There were no reasons put forward in the applications for the extension of time relating to the need to obtain evidence from other parties, therefore S & A had control over its own actions, over lodgement of the evidence and over the timing of the evidence. Similarly, there was no indication as to what progress had been made in the matter. S & A therefore had not discharged its onus to show good reasons why more time should be granted for serving the evidence in answer - *Universal City Studios Inc v Frankenstein Pty Ltd* (1994) 91-044.

Mr Cowin submitted that the unexpected difficulties with the related litigation in the United States and the illness of a member of the responsible attorney's family, which were compounded by earlier problems in securing the necessary information from S & A, were indeed sufficient reasons for allowance of the extension.

He acknowledged the lack of detail on progress of the evidence, but argued that the applications and the supporting affidavit did explain in some detail the reasons for not completing it. Those reasons were extensive and comprehensive. Mr Schaeff's affidavit made it clear that the litigation activity referred therein was not of a regular or ordinary business nature; it was unexpected and required immediate and urgent attention. While Mr Schaeff bore the primary responsibility for collecting and preparing the evidence, other members within his firm were also preoccupied with the litigation activity. It would not have been practical at the time to refer the matter to another person having no background information or knowledge of the matter in suit. That was particularly so, given the expectation that the disrupting activity in the litigation would be short lived. The urgent and unexpected litigation activity in fact concluded on 7th November 1996. Mr Schaeff was working on the evidence concurrently with the handling of the litigation, but regularity had been thrown into disarray by the activity. In addition, the pressure from the litigation had been compounded by the illness of a member of Mr Schaeff's immediate family who was discharged from hospital on 10th November 1996. As a consequence of these developments, the professional and personal life of Mr Schaeff returned to some level of normality on 11th November 1996. By then he had, as stated in his affidavit, again turned his attention to the necessary answering evidence preparation. The affidavit, he noted, was not identical to the one lodged in respect of the matter concerning removal of trade mark registration number 376352, but was an updated version of the events.

Mr Cowin also noted that the period of disruption caused by the unexpected turn in the litigation was much longer than the one month's extension of time sought on the basis of that disruption. To that extent, he said, the current extension request could be clearly distinguished from *Diamond v CSL*, supra.

3. By failing to serve the evidence in answer, S & A had demonstrated lack of diligence and seriousness concerning the opposition matter, McCormack commented. The only conclusion that could be drawn from the inactivity was either that S & A was not sufficiently interested in pursuing the service of the evidence in answer, and that it was merely engaging

in time-wasting and delaying tactics. The pressure of work which had been stated as the reason in support of the extension of time applications was a clear indication that the present opposition matter did not command a high priority. In that regard, Mr McCormack again referred to *ACI Australia v Shelm*, supra, in which the reason in support of an application for extension of time was given that the applicant had been too busy taking care of other matters.

The fact that the opposition to registration of the subject trade marks was not frivolous, Mr Cowin responded, was self evident, at least to the extent that the evidence in answer was to be served by 12th February 1997. S & A's seriousness in the matter was demonstrated by the extent to which it had gone in supporting the extension requests; it had provided an affidavit explaining in some detail the circumstances which caused the delay in finalising the evidence. In addition, it had sought only one month's extension in the honest belief and expectation at the time that the evidence would be completed within the immediate future.

Concerning *ACI Australia v Shelm*, supra, Mr Cowin pointed out that, although the reasons for the extension request were "very thin", Shelm was granted another four months in addition to the eleven months, including three months statutory period, already allowed.

4. Mr McCormack submitted that Conquip had been using its mark in Australia for some considerable time. It was therefore exposed to a deceptive and misleading conduct. Moreover, the delays in the present proceedings were preventing expansion of the services by Conquip and the possibility of opening additional sites. It was hindering Conquip's efforts in establishing a more widespread and better reputation of the mark in Australia. It was therefore suffering damage and would be extremely disadvantaged, should the sought extension be granted.

The fact that S & A had not taken any infringement action to prevent the continued use of Conquip's mark could lead to the conclusion that S & A was not really serious about protecting its marks. If it was claiming any inconvenience, such inconvenience would have been caused by its own lack of activity, Mr McCormack further argued.

If the extension requests were refused, Mr Cowin said, then S & A's best case would be seriously jeopardised and probably fail. That situation alone would seem sufficient to tip the balance of convenience scales in favour of S & A. It would be an inconvenience which far exceeded the commercial uncertainty said to be facing Conquip; an uncertainty brought on by its own commercial decisions and actions made a considerable time ago and within its own power to resolve without resorting to what were inevitably protracted proceedings. Delays were a consequence of trade mark opposition proceedings; they were unfortunate, but a necessary pre-requisite for a full and proper outcome of the matter in suit.

5. On this point Mr McCormack submitted that there were always the consideration that it was beneficial to the public to resolve any conflict over ownership and use of a trade mark as quickly as possible. The present conflicting situation therefore should not be allowed to proceed for any longer than was necessary.

Mr Cowin contended that the public interest would be best served by a full and open disclosure of the facts and evidence from both parties. In support he cited *Stafford-Miller Ltd v Cosco Holdings Pty Ltd* (1989) AIPC 90-583.

On the matter of costs, while Mr McCormack submitted that costs should be awarded to Conquip irrespective of the outcome because S & A's applications indicated the evidence would be served by November 1996, Mr Cowin requested that costs follow the event.

## **Discussion**

As the balance of the evidence in support on S & A was served on 1st November 1995, S & A had the evidence material in its possession for twelve months, although, not having been advised of the allowance of the disputed extension of time until the decision on the matter had been issued on 12th February 1996, it would not have been aware of the exact nature of the case it needed to answer. However, during the twelve months S & A had an

opportunity to peruse Conquip's evidence and commence some preparation of its own evidence material. While, as stated in *Australian Olympic Committee v Brennan*, supra, at p 46, applications for extensions of time up to nine months are generally requested and allowed for the service of evidence in support, in the present situation, S & A has had longer than nine months at its disposal for serving its evidence in answer. It appears that even the additional one month's extension now sought would not suffice for the service of S & A's evidence if that evidence was to be served on Conquip only on 12th February 1997, as advised by Mr Cowin.

Longer than average extensions of time in opposition proceedings would normally be justified in cases where the conflicting parties were in the process of negotiating, or in situations where the negotiations had broken down and the parties required further time for the preparation of their evidence as, for example, in the cases mentioned by Mr Cowin: *Bundy v Rent-A-Wreck* and *Jonathan Sceats*, both supra. It must also be remembered that the Trade Marks Office has now adopted the practice of a more stringent approach in granting applications for prolonged periods of extensions of time for the purpose of serving evidence in opposition proceedings.

In requesting the current extension of time from 12th November 1996 to 12th December 1996 within which to serve the evidence in answer on the present trade mark applications, S & A stated:

“Despite the intentions expressed in our previous request it has not been possible to complete and serve the evidence within the period already provided.

Continued disruptions to the timetable of the United States attorney for the applicant have meant that it has simply not been possible to complete the evidence as planned. Those disruptions are detailed in the enclosed copy of an Affidavit by the attorney, and relate to the pending litigation previously referred to as well as an unexpected serious illness to a family member.”

The affidavit from Mr B Joseph Schaeff, an attorney of the law firm Killworth, Gottman, Hagan and Schaeff in the United States of America (Mr Schaeff's first affidavit) states, inter alia, that he bears primary responsibility for collecting and preparing the evidence in answer, and that he is currently in the process of collecting and preparing that material. On 18th

September 1996, while in midst of preparation of that evidence, he had been served with a motion for summary judgment in a trade marks opposition matter involving S & A, resulting in Mr Schaeff and other members of his firm being engaged in preparing a response to the motion between 18th September 1996 and 7th October 1996, to the exclusion of most other of S & A's matters. Subsequently he was involved in the preparation and filing of various other documents concerning the proceedings, which were completed on 7th November 1996. While working on the litigation proceedings, a member of his immediate family had been hospitalized during the week of 3rd November 1996 with a serious, life threatening condition, thus reducing the time he had been able to devote to the evidence in answer matter. That person was discharged from the hospital on 10th November 1996. He resumed the work on the evidence matter on 8th November 1996 and expected to conclude it during the week of 11th November 1996. The affidavit is dated 11th November 1996.

During the hearing Mr Cowin tendered another affidavit from Mr Schaeff, dated 31st January 1997, (Mr Schaeff's second affidavit), where Mr Schaeff declares that his firm was an average sized firm with personnel of fourteen attorneys and one patent agent, and that three attorneys devoted substantial time to the practice of trade mark law, one of them being employed only part time. The amount of time required to respond to the summary judgment motion discussed in his previous affidavit was such that the other full time attorneys and himself worked to the exclusion of most other client matters to prepare and file the responsive evidence and briefs within the time permitted by the relevant rules. Practically speaking, he says, there was no one else within his firm who could have handled the evidence matter. He further states that S & A has legal staff, but that they were also involved in responding to the motion for summary judgment.

In the applications for an extension of time from 12th August 1996 to 12th October 1996, dated 12th August 1996, S & A explained that much of the evidence required in respect of the opposition proceedings concerning the present applications was the same as evidence in the removal application on registration number 376352, and that the evidence for all the matters was being handled together. It was anticipated that the common evidence should be

finalised with the next month. That expectation was interrupted by the unexpected and urgent litigation proceedings in the United States which required Mr Schaeff's and his colleagues' full attention until 7th October 1996. Mr Schaeff continued his involvement in those proceedings until 7th November 1996.

The illness of a close relative understandably would have slowed down the progress of the evidence preparation, although, considering the contents of the August 1996 applications, the work would have been expected to approach the final stages of completion. The fact that it was not so, is evident from S & A's failure to complete the evidence by 11th November 1996, as indicated in Mr Schaeff's first affidavit. Neither the extension of time applications currently in dispute nor Mr Schaeff's affidavits provide information as to the progress made in the preparation of the evidence and how much work still remained before its finalization, or, at least, why it was not possible to serve part of the evidence, which would have been reasonably expected at that juncture.

While I accept the argument that it would not have been practical for any other person in Mr Schaeff's firm than Mr Schaeff himself to take over the evidence responsibilities at an advanced stage, in view of my previous comments, I do not believe that S & A has entirely met its onus in comprehensively explaining why, in the above circumstances, further time would be justified so as to meet the requirements set out in *Mitty's v Registrar and Vangedal-Nielsen v Smith*, both *supra*.

In the notices of opposition, Conquip relies on the grounds of opposition based on proprietorship of the subject marks, and the likelihood of deception and confusion caused by use of the marks, given the reputation of Conquip's mark in the market place. The serious nature of the opposition is therefore not doubted. That S & A appreciated the seriousness of the opposition and intended to meet the challenges raised in the opposition is evident, I believe, from its forwarding the evidence in answer to Conquip on 12th February 1997 (who, through its attorneys, has not "acknowledged the service", as the documents were served out of time). That action, as I see it, demonstrates that it is earnest in

presenting its case in defending the subject marks, but that it did not grant the evidence matter the appropriate priority and effort.

If Conquip has used its mark for a significant period of time, its concern over a potential infringement action is justified. It is also recognized that Conquip is being commercially disadvantaged by the prolonged process in the current proceedings which are causing delays in its plans for expansion of the business and building up a more substantial reputation in Australia. While I understand Conquip's precarious situation concerning use of the mark and the commercial losses described by Mr McCormack, I would point out that, undesirable as they are, delays are common and an unavoidable part of any opposition proceedings.

The fact that S & A has now forwarded the evidence in answer material to Conquip's attorneys refutes the submission that S & A has lost interest in protecting rights in its marks and therefore would not experience any adverse effects in the matter. I must also take into account that refusal of the requested extension would deny S & A the only opportunity to present its evidence in rebuttal to Conquip's claims and the supporting evidence, the consequences of which could lead to the subject marks not being registered.

In the above circumstances, should the extension of time not be allowed, in my estimation, greater disadvantage would be suffered by S & A than by Conquip. I believe therefore that the balance of convenience favours S & A.

In determining opposition, particularly where deceptive use of a trade mark is alleged, "there is a considerable matter of public interest to be determined and every effort should be made to enable the Registrar to consider [the] circumstances with the assistance of as much documentary evidence as possible" - *Bundy v Rent-A-Wreck*, supra, at p 310. Deception and confusion of the marks is alleged in the present opposition. S & A has already served Conquip with the evidence in answer. While I concede that an expeditious resolution of the current dispute is desirable, as argued by Mr McCormack, I do not think it would be unreasonable to find that in these proceedings it would be in the public interest for both

parties to be given an opportunity for presentation of as much material as possible in supporting their case.

**Decision**

Having considered the above factors, I have decided to allow the sought extension of time. While I am not totally persuaded by S & A's diligence and dedicated efforts in minimizing the time for completing the evidence, nor am I satisfied that it has fully discharged its onus in proving why the additional time is required, I have given greater weight to the fact that the evidence was served on the attorneys acting for Conquip on 12th February 1997, as advised in a letter of 12th February 1997 from S & A's attorneys. I therefore allow the extension of time to 12th December 1997 within which to serve the evidence in answer on applications numbers 594459 and 594460.

Concerning the matter of costs, normally costs would be awarded to the successful party. However, in the circumstances I have outlined above, I have decided each party should bear its own costs.

Vija Zars  
Hearing Officer  
30th April 1997