



TRADE MARKS ACT 1995

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

Re: Opposition by STRUCTURECO, INC to an application for removal from the Register, made under paragraph 92(4)(a) of the *Trade Marks Act 1995*, of trade mark registration number 597725 by STARITE DISTRIBUTORS PTY LTD

Background

An application under paragraph 92(4)(a) the *Trade Marks Act 1995* (the Act) for the removal from the Register of registration number 597725, for the trade mark **STRUCTURE** in Class 25, was filed by Starite Distributors Pty Ltd (the applicant) on 22 July 1997. Following the allowance of an extension of time to do so, a notice of opposition to that application was filed by Structureco, Inc (the opponent) on 4 February 1998.

The application for removal was accompanied by a statutory declaration by Douglas Zappelli dated 17 July 1997. The evidence in support of the opposition comprised a statutory declaration by Jeffrey Ryder dated 1 May 1998. There was no evidence in answer filed.

The applicant requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Melbourne on 1 February 1999. Mr John Hawker, of Callinan Lawrie represented the opponent. Mr Stephen Wilson of Griffith Hack appeared on behalf of the applicant.

Submissions

Mr Hawker, on behalf of the opponent, said that in order for an application for removal under s.92 of the Act to be valid, it must be in accordance with regulation 9.1. This meant that, *inter alia*, it must be accompanied by a declaration which stated that an inquiry into use of the mark had been made and which also set out the findings of that inquiry in support of the grounds referred to in subsection 92(4), "in reliance on which the application is made". He said that, here, the grounds for applying for removal were those laid down under paragraph 92(4)(a). This was that, as at the date of filing the application, the applicant, allegedly, did not have a *bona fide* intention to use the mark in Australia and had not used it. He said that the Zappelli declaration did not address these issues and that, therefore, the present application to remove this mark was not valid, should not have been advertised in the *Official Journal of Trade Marks* (the Journal) and that the matter should not proceed past this point, as it was *ultra vires*.

Mr Wilson later submitted on this point that the application, as far as it could, had been in accordance with the regulations. He said that Mr Zappelli could only have declared in relation to his belief regarding whether use had occurred and could not have known anything about what was in the mind of the applicant for registration, as at the time of the original lodgment in 1993.

I said that I would reserve my decision on whether the application had been wrongly made, and that I would proceed to hear submissions on the removal application in the meantime in order to maintain fairness to both parties and advance the proceedings.

Mr Hawker continued with his submissions on the substantive matter, saying that it was up to the removal applicant to convincingly establish that, at the time of filing, the applicant had no intention to use the mark. This, he said, it had not done - or even addressed. He said that, in order for the applicant to do this, it had to overcome the presumption of an intention to use, the line of authority summarised in the Office decision, *Opposition by Intel Corporation To Application 711008 in the name of Magnatex International Pty Ltd*, dated 13 May 1998, and the "most impossible" task of proving by evidence that it had an insight into the mind of the applicant as at the

time of application. He said that there was no evidence to support either of the grounds for removal, specified in paragraph 92(4)(a) of the Act, whereas the Ryder declaration, filed as evidence in support of the opposition to removal said that the applicant had intended to use the mark, as at the time of filing, and had substantiated that intention through an extended prosecution period, including payment of the registration fee upon acceptance. He said that it was a serious thing to remove a mark from the Register and speculative applications, based on what might be inferred from someone's state of mind, should not be allowed to succeed. He said that the presumption in such matters should lie with the registered proprietor and that, even if no use of the mark was readily apparent, this did not equate to a lack of intention to use it, as the applicant was claiming here.

On the applicant's behalf, Mr Wilson said that the Zappelli declaration showed that the investigations made in relation to present trade mark had revealed no use at all. He said that much of the case law dealing with intention to use, arose from oppositions to registration. These included such cases as *Rolewa Rentals Pty Ltd v Champagne Moet et Chandon* (1985) AIPC 90-238, and *Ducker's Trade Mark* (1928) 45 RPC 397. In the latter case, it was said, in relation to the issue of intention to use, that what was required was the resolve to use the mark in the immediate future, in relation to the goods. He said that, in the present case, there must have been a statement of use lodged and which had been regarded as being, prima facie, sufficient to gain acceptance. However, in some instances, such as in the cases of *Michael Sharwood & Partners Pty Ltd and Ors v Fudruckers Inc* (1989) 15 IPR 188, there had been sufficient doubt raised by the evidence as to the intentions of the applicant to use the mark - despite the presence of a statement as to use. Mr Wilson said that, here, there had been no use shown by the evidence during the six years since registration had been applied for and that this, together with Mr Zappelli's declaration was sufficient to put into doubt the applicant's intention to use the mark on the goods. He said further that, in the Office decision in *TEC Corporation v Calcomp Inc*, dated 19 June 1997 (unreported), the Hearing Officer had said, in refusing an opposition to registration based on use, that it might be open to the opponent there to apply for removal of the subsequently registered mark under paragraph 92(4)(a), should it wish to test the resolve of the applicant, because that party should be able to demonstrate at

least a prima facie case of intention to use on the relevant goods. Mr Wilson said that this case demonstrated that, in removal proceedings such as here, the onus automatically shifted to the opponent to demonstrate an intention to use the mark and that it was not necessary for the applicant here to demonstrate the lack of such an intention. He said that, in the present case, given the length of time which had passed, with no use being shown to have taken place of the subject mark, then this raised a serious doubt regarding the proprietor's intentions to use it. He said that it was significant that the opponent had not gone on oath itself to declare as to its intention to use but had relied instead on evidence from its attorney who could not have known the state of the proprietor's mind in this regard.

Decision on whether the removal application was properly made

With respect to the question of the validity of the removal application, I have now given careful consideration to both attorneys' comments and come to a decision in the matter. The substantive matter which I am deciding here paragraph 92(4)(a) is whether, on the day on which the application to register the mark was filed, that party had an intention in good faith to use the mark *and* whether it had used the mark in this country. Mr Hawker has said that the applicant did not properly make its application for removal because it failed to include a declaration addressing the grounds relied upon. Specifically, he alleged that Mr Zappelli, whose declaration accompanied the application, was silent on the question of what the applicant's intentions were regarding use, as at the date of filing.

However, I think that the declaration called for in regulation 9.1 can only contain material which the declarant truly believes to be the case. It is impossible, at this point of human evolution, for one person to know what is happening inside the mind of another. Therefore, although a party might draw an inference from surrounding circumstances about someone's intentions, they cannot know definitely what these may have been at a particular time. Mr Zappelli did say, in his declaration, that he believed that the mark in question had never been used by its owner in Australia. Therefore, he did address the second part of the grounds under paragraph 92(4)(a). He could have said that he believed that it was not the intention of the applicant for registration to use the mark in good faith in Australia when it applied for its

registration - but he did not. However, given my reservations about mankind's mind reading capabilities, I believe that Mr Zappelli has done as much as he reasonably could, in the present circumstances, in declaring his belief about the actual use of the mark by the registered proprietor.

Consequently, I have decided that the non-use application was properly made and that it was correctly advertised in the Official Journal.

Discussion on the substantive matter

The sections of Part 9 of the *Trade Marks Act 1995* which are relevant here read as follows:

Application for removal of trade mark from Register etc.

92.(1) *A person aggrieved by the fact that a trade mark is or may be registered may, subject to subsection (3), apply to the Registrar for the trade mark to be removed from the Register.*

...

(4) *An application under subsection (1) or (3) (**non-use application**) may be made on either or both of the following grounds, and on no other grounds:*

(a) *that, on the day on which the application for the registration of the trade mark was filed, the applicant for registration had no intention in good faith:*

- (i)** *to use the trade mark in Australia; or*
- (ii)** *to authorise the use of the trade mark in Australia; or*
- (iii)** *to assign the trade mark to a body corporate for use by the body corporate in Australia;*

in relation to the goods and/or services to which the non-use application relates and that the registered owner:

- (iv)** *has not used the trade mark in Australia; or*
- (v)** *has not used the trade mark in good faith in Australia;*

in relation to those goods and/or services at any time before the period of one month ending on the day on which the non-use application is filed;

...

The threshold question, which needs to be resolved in a matter of an application under s.92 for removal of a registered mark, is whether the applicant is a "person aggrieved" in terms of that section of the Act. Only such a person can make an application for removal. The criteria for determining whether the applicant is such a person under the present Act has not altered from that considered in relation to s.23 of the *Trade Marks Act 1955*. The meaning of that term

was defined, for the purposes of section 23 of the 1955 Act, by McLelland J in *The Ritz Hotel Ltd v Charles of the Ritz and Another* 12 IPR 417 at p.454:

It is sufficient for present purposes to hold that the expression would embrace any person having a real interest in having the Register rectified, or the trade mark removed in respect of any goods, as the case may be, in the manner claimed, and thus would include any person who would be, or in respect of whom there is a reasonable possibility of his being, appreciably disadvantaged in a legal or practical sense by the Register remaining unrectified, or by the trade mark remaining unremoved in respect of any goods, as the case may be, in the manner claimed.

In *Kraft Foods Inc (previously known as Kraft General Foods Inc) v Gaines Pet Foods Corporation*, 34 IPR 198, Sheppard, Tamberlin and Sackville JJ held that the mere fact that a person has filed an application for removal of a trade mark is insufficient, in itself, to establish that a person is “appreciably disadvantaged in a legal or practical sense” by the continued registration of an identical or deceptively similar mark. However, I have carried out a search of the records of the Trade Marks Office and discovered that the applicant has applied for the registration of trade mark application number 712794, for the mark STRUCTURE IMPORTS in Class 25, and against which the present registration, *inter alia*, has been cited as a bar to registration. Given this situation, I am of the opinion that this is enough to show that the applicant for removal has sufficient interest in the proceedings to be a “person aggrieved”.

Accordingly, I find that the applicant is such a person and qualifies to apply for removal of the present trade mark from the Register.

In the present case, the applicant has applied under paragraph 92(4)(a) for the trade mark’s removal from the Register, alleging that the registered owner did not have an intention to use the mark in good faith in Australia, and had not used it in this country. The opponent filed notice of opposition to this application under s.96, saying that those grounds were incorrect. As the Registrar's delegate, I must now decide the matter based upon whatever evidence has been properly served by each side and also submissions made at the hearing.

Although Mr Hawker, on behalf of the opponent, said that the applicant for removal should establish its claims that the registered owner did not file its application for registration in good faith, or did not use the mark, s.100 of the present Act places the onus clearly upon the opponent to rebut any such allegations. However, I note that the grounds on which an application under paragraph 92(4)(a) the Act may be made, are that there must have been both a lack of an intention to use a trade mark in good faith as at the filing date, *and* that there was a lack of use.

In a statutory declaration dated 5 July 1995, Edward Jones, the Secretary of the registered proprietor, did say that the mark was to be used in Australia by another party under an agreement with the proprietor. Mr Ryder declared that, because of the particular circumstances of the case, then he could see no reason to doubt that there existed a *bona fide* intention to use the mark, as at the date of filing. I do not agree that there is anything untoward in the opponent's attorney making such a declaration, in lieu of an officer the opponent itself, as claimed by Mr Wilson. The attorney must be able to stand in his client's shoes in such matters and the case must be judged on its own facts. At the hearing, Mr Hawker submitted that the mark had been applied for with an intention to use it in good faith and that this intention had been maintained since then. In the present circumstances, it is difficult to see what else the registered proprietor could have done to indicate that its intentions were *bona fide*, as at the date of filing and that, if no use had in fact occurred, that it still intended to do so. Consequently, I feel that opponent has done enough to meet the onus placed on it by the Act.

On its part, the applicant has done nothing more than allege that the registered owners' intentions were not in good faith and point to the absence of evidence of use to support its allegations. However, the opposed removal of a trade mark from the Register should not be done lightly, especially if the applicant's case is apparently based on an assumption. Mr Zappelli's declaration in support of the removal application did nothing to further this particular ground. Although there was no evidence submitted of actual use, this does not equal a lack of an intention to do so.

In deciding an opposed removal application, the Registrar (or a court) is called on to exercise a discretion. That section reads:

Determination of opposed application—general

101.(1) Subject to subsection (3) and to section 102, if:

- (a) the proceedings relating to an opposed application have not been discontinued or dismissed; and*
- (b) the Registrar is satisfied that the grounds on which the application was made have been established;*

the Registrar may decide to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.

(2) Subject to subsection (3) and to section 102, if, at the end of the proceedings relating to an opposed application, the court is satisfied that the grounds on which the application was made have been established, the court may order the Registrar to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.

(3) If satisfied that it is reasonable to do so, the Registrar or the court may decide that the trade mark should not be removed from the Register even if the grounds on which the application was made have been established.

Therefore, the Registrar or a court may remove a registration, if satisfied that a case has been established, or leave it there if it is considered reasonable to do so. I acknowledge that it appears much easier for the opponent to meet the onus placed upon it to rebut allegations under paragraph 92(4)(a), than for the applicant to show convincingly that these contentions are valid. The opponent can, as here, merely point to a statement as to use and indicate that it still has that intention without the need to produce evidence of actual use. In response, the applicant faces the task of showing conclusively that the owner of the mark did not have such intent and did not use the mark. However, other than assert that there was a lack of intent and point to an apparent lack of use up until this time, the applicant has done little to support its case.

Consequently, following the opponent successfully meeting the onus upon it, I do not think that the applicant has then established the grounds for removal under paragraph 92(4)(a) and I have no need to exercise the Registrar's discretion in favour of either party.

Notwithstanding the above, I note that the applicant presently has an application on foot for removal of this mark under paragraph 92(4)(b). This will require the opponent to show conclusively that it used the mark during a specific three year period, or establish that there were circumstances that were an obstacle to its use during that time. Consequently, the applicant will have another chance to further its cause and the opponent will need to show, by evidence, the true situation regarding the use, or otherwise, of the subject trade mark.

Conclusion

Given the foregoing, I find that the opponent has been successful in overcoming the claim of non-use made by the applicant on the grounds contained in paragraph 92(4)(a) of the Act. I therefore refuse to remove the present mark from the Register in the present instance.

Costs

I can see no reason in the present case why costs should not follow the result. I therefore direct that the applicant pay the costs of the opponent in this matter, the costs being taxed, allowed and certified by an officer of the Trade Marks Office, appointed by the Registrar for that purpose.

Ian Forno
Hearing Officer

13 April 1999