



TRADE MARKS ACT 1995

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

Re: Opposition by ICEBERG THE FROZEN DRINK COMPANY PTY LTD to an application to remove trade mark registration number 601253(32) - ICEBERG- under section 92 of the 1995 Act by CHIA KIM LEE FOOD INDUSTRIES PTE LTD.

Background

Trade mark registration 601253 is in respect of goods described as "iced drinks, being non-alcoholic beverages" and is held by Iceberg The Frozen Drink Company Pty Ltd ("IFD"), an Australian company. The registration dates from the filing date of the initial application, 29 April 1993. The trade mark in question is as follows:

iceberg
the frozen
DRINK

The registration is now under attack by a Singapore company, Chia Kim Lee Food Industries Pte Ltd, ("Chia"). Chia has filed an application that alleges that the trade mark had not been used for any of the goods for which it was registered in the three year period ending 14 August 1998, and seeks its removal from the register. That removal application was filed on 14 September 1998 and relies on the terms of s 92(4)b of the *Trade Marks Act 1995* ("the act").

IFD opposes removal of its registered trade mark. I have been assigned to hear and decide the matter, under delegation from the Registrar of Trade Marks.

Early History

I will look at the history of this dispute in some detail. Some of the matters to which I refer are not strictly part of the evidence on which the parties rely. In principle, reference to such

matters is thoroughly undesirable. However, this is an unusual situation and both parties are aware of the substance of all of the material that is likely to be contentious. Given that the additional material bears only on costs and not on the substantive question, it is expedient to vary the normal rule.

IFD sells a semi-frozen drink, dispensed into a cup through a tap or valve as an icy slurry. The consistency of the product appears to be something like that of a soft-serve ice-cream, such that the slurry can be piled higher than the rim of the cup into which it is dispensed. However, the product is intended to be consumed, as dispensed and as it further liquefies, through a straw.

IFD originally filed the relevant application for registration in class 30, with the goods of interest being described as "iced drinks". An examiner of trade marks correctly queried the classification of any such goods as being problematic. I will explain, in view of what follows, that the classification of the applicant's actual product is not self-evident and requires recourse to the detail of the classification index.

Drinkable products of an icy nature are at the borderline between classes 30 and class 32. Somewhat similar products intended to be consumed as an edible ice fall in class 30, whereas if the product is intended primarily as a drinkable substance class 32 is appropriate. This principle can be seen in the International Classification of Goods and Services, which lists "sorbets (ices)" in class 30 but "sorbets (beverages)" in class 32.

IFD responded to the examiner of trade marks. Amendment to the present wording "iced drinks being non-alcoholic beverages" was proposed and agreed. The trade mark was ultimately registered in class 32.

In January 1997, Chia applied to register the word ICEBERG as a trade mark for, inter alia, "Mineral and aerated waters; fruit drinks and fruit juices". Not surprisingly, the Trade Marks Office objected that this application was blocked by IFD's earlier registration.

To assess its options at that point, Chia, in April 1998, commissioned an investigation into the use of the IFD trade mark. The result of that investigation is part of the evidence in the dispute that followed. From that material it is clear that, in April 1998, Chia and its attorneys knew that the trade mark ICEBERG was being used for a species of frozen drink dispensed into paper cups from machines located in various sales outlets. The patent attorneys for Chia,

Phillips Ormonde and Fitzpatrick of Melbourne, brought this to the attention of the examiner of Chia's application, arguing that the actual goods on which the mark was being used by IFD were, in a practical sense, distinguishable from those of Chia. The examiner maintained that, even if the IFD goods were restricted in some way, the closeness of the goods was still sufficient for the action of s 44 of the act, thus blocking Chia's application.

As part of this debate, the examiner said, in the fourth report, that it would not be possible for IFD to amend its registration to relate to "frozen carbonated drinks" in class 30. This, as a statement of possibilities under s 83, is entirely correct. Taken out of context, it may have been taken by Chia's attorneys as a suggestion that IFD's product, an icy slurry, was outside the scope of the registration in class 32.

It is this belief which, I think, explains why Chia and its attorneys filed an application seeking removal of IFD's registered trade mark from the register for all, rather than merely some, of the goods for which it was registered. The removal application was supported, as required by regulation 9.1(b), by a declaration "stating that an inquiry into the use of the mark has been conducted and setting out the findings of that inquiry that support the grounds referred to in subsection 92(4)". I quote from the declaration:

... The inquiry has revealed that use of the trade mark during the three year period by the registered owner has been in relation to edible ices and not to goods for which the trademark is registered.

Nowhere in the material before me is there any explanation of the shift in the description of the goods, from the "frozen drink" of the investigator's report to the "edible ices" referred to in the declaration. I have already said that the removal application may have been made in good faith on the basis of a misunderstanding about the classification of the actual goods. I do not regard the wording of the declaration as undermining that explanation.

IFD has opposed removal of its trade mark and the opposition process has followed the provisions set out in parts 9 and 5 of the regulations. In support of its opposition, IFD has relied on the declaration of Ugo Colosante, its managing director, accompanied by exhibits UC-1 to UC-5. In answer to this, Chia relies on the declaration of its patent attorney, Michael O'Donnell, with exhibits MOD-1 to MOD-7. In reply, Chia has filed and served a second declaration by Mr Colosante.

In due course Chia requested to be heard in support of its application. At the hearing, Chia relied on written submissions prepared by its attorney, Michael Squires, of the attorney firm of Phillips Ormonde and Fitzpatrick. IFD, represented by Craig Vinall, patent attorney of the attorney firm of Madderns, appeared by telephone.

Issues and Decision

As I have said, Chia sought removal of this registration on the basis that it has not been used, for any goods covered by the registration, during the relevant three year period. There is common ground between the parties about the nature of the goods on which there has actually been use. The initial question is, to what extent are such icy slurries covered by the current class 32 registration for "iced drinks, being non-alcoholic beverages"?

Mr Squires, in his written submissions, notes that the word "iced" is defined in the *Macquarie Dictionary* as meaning either covered with ice or cooled by ice. He notes, however, that the word "iced" is commonly used of beverages, such as tea and coffee, to indicate nothing more than that these goods are chilled. Therefore, argues Mr Squires, the specification includes:

- cans of iced tea sold at room temperature for consumers to take home and refrigerate prior to consumption;
- cans of iced tea already refrigerated;
- tea containing ice and served ready for immediate consumption;
- coffee prepared similarly, either for immediate consumption or prepackaged, chilled or otherwise;
- carbonated and non-carbonated drinks containing or cooled with ice, and so forth.

He also states, "on a generous interpretation of the term iced drinks, this may further include carbonated edible ices and flavoured ice slurries that are consumed as drinks".

Let me accept the first five of these propositions and come to the last matter, which I have quoted verbatim. I agree with this only in part. It is the intended, not the actual, manner of consumption that determines classification. To take an extreme example, a thing sold as an ice-cream is intended for eating, not drinking. It is a class 30 good, as is an edible ice. It does not change class as it melts. Such a commodity is not within the scope of the present registration in class 32.

However, the same logic suggests that an ice slurry intended for consumption by drinking is within the scope of class 32. It is a drink containing ice, an iced drink in short. The Trade

Marks Office has already advised IFD that the goods in question fall (at least in part) in class 32 and I would not lightly retract this.

There does not seem, now, to be any suggestion that the goods on which IFD has used its trade mark are primarily intended for eating, or that they are actually an edible ice falling in class 30. Clearly, they are not frozen into a solid state at the time of sale: they cannot be, in view of the manner in which they are dispensed through a valve or tap. They are sold with a straw, as material before the examiner and other material, in exhibit UC-4, shows. On balance, I think it is correct to say that the actual goods on which the trade mark has been used are sufficiently of the nature of iced drinks to be within the scope of the registration and, moreover, within the scope of class 32.

Therefore, I am satisfied that IFD has used its trade mark for at least some of the goods covered by the registration. Removal of the registration in its entirety would be unjustified and, to that extent, the removal application may have been, initially, over-ambitious.

However, as Mr Squires argued, there is a public interest in not allowing registrations that are too broad. That is so even where there is a fundamental problem with the initial form of the removal application. With that in mind, I have given leave to Chia to amend its removal application, to seek only partial removal of the registration. Chia accepts that, given that I have found at least some use of the registered mark, I will now consider a thinning down of the registration, rather than refusing the removal application outright, as it would, without amendment, otherwise merit.

Chia's written submissions dwell on what are said to be the practical differences between its own goods and IFD's particular product under this trade mark. However, those are matters that do not directly concern me here. The argument that the actual goods of interest are not "similar goods" for the purposes of s 44, and not in conflict with a later application that forms no part of the present proceedings, must wait until the scope of the present registration is redefined.

IFD, for its part, does not relish any restriction of its registration. Mr Vinall has pointed out that the original goods were never a broad range and that any restriction would, in his view, pave the way for public confusion as a consequence of the use of a trade mark such as Chia's. However, he does concede that, if a trade mark is to remain on the register for goods for which relevant use has not been established, I will need to be satisfied that some proper and

sufficient reason exists for this. Mr Squires, for his part, points out that the infringement provisions of the 1995 legislation are broader than they were at the time IFD applied. Because of these, IFD will be protected from conflicting use by others, on a broader range of goods than that for which it actually holds a registration. Likewise, s 44 will prevent registration of anyone else as the owner of a deceptively similar mark in relation to any goods of the same description as the registered goods, unless a proper case is made under s 44(3) or (4).

It is, I think, quite clear that there has never been any use or any intention to use the mark in relation to a full range of iced drinks. Were IFD to be allowed to keep a wider specification of goods than those on which it actually intends to use the mark, it would be what Mr Squires called double-dipping into statutory protection that is already framed to be broader than the goods for which the mark is registered. Therefore, I think that the issue of public deception has already been as fully addressed as it can be in the lack of any more compelling reason to justify a broader, partially unused, registration.

Mr Squires noted *McHatten v Australian Specialised Vehicle Systems Pty Ltd* [1996] FCA 1. There, Drummond J was critical of fine but arbitrary delineations of the goods covered by a registration. Here, he had in mind distinctions such as between military vehicles of over eight tonnes and those of lesser weight. However, in the present instance the actual goods of IFD are not simply a specified part of a continuum. The goods reflect the entire *modus operandi* of the sort of trade conducted by the registered proprietor. The amended statement of goods which I envisage takes in all of such iced slurries as fall in class 32.

I will also say that, even if I am wrong in regard to the appropriateness of either the description or the ultimate classification of the actual goods, I would in any case leave IFD with the protection of a slimmed-down registration. I would do this in the exercise of my discretion under s 101(3) of the act, as the applicant was in no way to blame for any inaccuracy in the description of its goods at the time of the initial registration.

Conclusion:

My decision is that the trade mark registration be restricted to "iced slurries sold as drinks, being non-alcoholic beverages". I direct that the restriction be applied after 30 days from the date of this decision. If the registrar has been served with a notice of appeal before that time, I direct that the registration not be restricted until the appeal has been decided or discontinued.

Costs:

As to costs, Mr Squires has submitted that if the amended removal application is successful no award of costs should be made or that, perhaps, it is arguable that the removal applicant has been successful and that costs should follow the cause.

Chia chose to attack the registration on a broad front, asserting that it was unused. IFD, for its part, was forced to oppose if it wanted to retain any registration rights at all. It has faced an attack based on a nicety of classification. Chia, prima facie, should now face the consequences of my determination that the goods on which it knew the mark had been used are within the scope of the registration. True, the registration is now to be restricted somewhat, and this argues that perhaps IFD could have done more, sooner, to compromise and resolve the matter. However, I do not think that the restriction of the registration is significant enough in this instance to mitigate the fact that IFD was forced to defend itself from an attack aimed at entirely extinguishing its registration.

I direct that Chia pay the costs of IFD in terms of the official scale. In the event that there is a dispute as to these, and on payment of the taxing fee, those costs will be taxed, allowed and certified by the Trade Marks Office

Terry Williams
Hearing Officer
31 January 2001