



TRADE MARKS ACT 1955 AND TRADE MARKS ACT 1995

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

Application to Revive Lapsed Trade Mark Application No 603972 in the Name of AUSORB PTY LIMITED

Trade mark application no. 603972 in the name of AUSORB PTY LTD (“Ausorb”) was lodged on 8 June 1993. The applicant sought the registration of the trade mark KAO.KAT in respect of the goods “pet litter”. A report on the application was issued on 30 March 1994 in which the examiner took an objection to the registration of the mark on the ground that the word KAO was a surname. This objection was based on s24(1)(d) of the *Trade Marks Act 1955*. She undertook to reconsider the application, however, if the applicant agreed to disclaim exclusive rights in the word KAO [s32(1)] or, alternatively, to transfer the application to Part B of the Register [s25(1)] because KAO was not a common surname. That report also drew the applicant’s attention to the fact that a period of 12 months would be allowed to place the application in order for acceptance failing which a notice under s48 of the Act would be sent allowing a further three months after which the application would lapse.

(2)

No response to the examiner's report was received by 30 March 1995 and on 3 April 1995 a notice under s48 was sent to the applicant allowing three months from that date for acceptance of the application together with a warning that failing acceptance within that time the application would lapse, that is, on 3 July 1995. No reply to this notice was received by the due date but on 31 July 1995 a letter was received from the applicant requesting an extension of two months until 1 September 1995. The prescribed fees together with the scheduled late fee were received on 3 August. An extension was in fact allowed until 3 September, that is, two months from the date of lapsing. A further letter was received from the applicant on 27 September together with a payment sufficient to cover an extension of two months. No late fee was paid. Nevertheless, the time for acceptance was extended until 3 November 1995 at which time the examiner's objection remained outstanding and the application lapsed. It was advertised as lapsed in the *Official Journal* of 21 December 1995.

On 8 February 1996 a letter was received from Segall & Associates, Solicitors, Trade Mark Attorneys & Conveyancers, advising that that firm had been instructed to act for the applicant, requesting that the applicant's address for service be altered accordingly and consenting to the examiner's disclaimer requirement. On 18 March 1996 Ms Colleen Segall of Segall & Associates wrote to the Registrar to request that the application be revived enclosing a statutory declaration in support of the request and four months' extension fees, from 21 December 1995 to 21 April 1996, together with the prescribed late fee. She referred to telephone conversations with the examiner on 21 and 23 February and noted the examiner's advice that the application had lapsed on 21

December 1995. She also referred to an accompanying application to record the assignment of the trade mark which is not to be found on the file.

On 16 April 1996 the Director, Trade Marks Support & Administration wrote to Segall & Associates and informed them that the application had in fact lapsed on 3 November 1995 and was advertised as such in the *Official Journal* of 21 December 1995. Also that a search of the database indicated that a later lodged application for the identical trade mark in respect of the same goods remained pending. This was No 680121 in the name of MACQUARIE VENTURES PTY LTD. She stated that as the reinstatement of the lapsed application would adversely affect the rights of the proprietor of that later lodged application she would not be prepared to revive the lapsed application and extend the time for its acceptance. However, she drew the applicant's attention to the provisions regarding its right to be heard on the matter. On 13 June 1996 Ms Segall requested a hearing.

The relevant provisions

Subsection 48(1) of the *Trade Marks Act 1955* is as follows:

Limit of time for proceeding with application

48. (1) Subject to this section, where an application has not been accepted within 12 months after the date on which the first report of the Examiner was sent to the applicant, the Registrar shall give notice of the non-acceptance to the applicant and if, at the expiration of 1 month from the date of the notice or at the expiration of such further time as the Registrar allows, the application has not been accepted, the application shall lapse.

It is clear from this that the application lapsed on 3 November 1995, the date on which the extension of time allowed by the Registrar expired.

On 1 January 1996 the *Trade Marks Act 1995* came into force. Section 248 of that Act is in the following terms:

Revival of application for registration of trade mark that had lapsed before 1 January 1996

248.(1) If:

- (a) an application under the repealed Act for the registration of a trade mark had lapsed (under subsection 48(1) of that Act); and
- (b) the application would have been pending immediately before 1 January 1996 if:
 - (i) an application had been made to the Registrar under the repealed Act for an extension of the time within which the application for registration would be accepted; and
 - (ii) the Registrar had allowed an extension of that time under that Act;

the applicant may apply in writing to the Registrar for a declaration that the application is revived.

Note: For *pending* see subsection 11(2)

(2) The Registrar must grant the application if he or she considers, in all the circumstances of the case, that it is fair and reasonable to do so.

(3) If the Registrar declares that the application is revived, the application is to be dealt with as if it were an application that was pending immediately before 1 January 1996.

Note 1: For *pending* see subsection 11(2).

Note 2: Sections 240 to 247 make provision relating to applications for registration of trade marks that were pending immediately before 1 January 1996.

Subsection 11(2) is as follows:

Application for registration under repealed Act

(2) An application for the registration of a trade mark under the repealed Act was *pending* immediately before 1 January 1996 if before that day:

- (a) the application had not lapsed (see subsection 48(1)), been withdrawn (see subsection 40A(1)) or refused (see subsection 44(1)); and
- (b) the Registrar had not refused (under section 50) to register the trade mark or if he or she had refused to register the trade mark:

(5)

- (i) the period allowed for appealing against the decision had not yet ended; or
- (ii) an appeal had been made against the decision but had not yet been decided; and
- (c) the trade mark had not been registered under section 53.

It appears from para 248(1)(b) that if the applicant had requested an extension of time for acceptance of the application beyond 3 November 1995 and if that request had been granted then the application would have been pending immediately before 1 January 1996 and that therefore the provisions of s248 may be invoked. Although Ms Segall did not in terms apply for a declaration under s248(1) I am prepared to accept that the request to revive the application of 18 March 1996 was such an application. I must therefore grant the application for revival if I consider, in all the circumstances of the case, that it is fair and reasonable to do so, and, if I declare that the application is revived, I am to treat it as if it were an application that was pending immediately before 1 January 1996. This means that it is to be treated in accordance with the 1995 Act since s240 of that Act provides as follows:

240.(1) Subject to this Division, an application, notice or request that:

- (a) was lodged with the Registrar in accordance with the repealed Act; and
 - (b) was pending immediately before 1 January 1996;
- is to be dealt with in accordance with this Act.

Note: For *pending* see subsection 11(2).

(2) The application, notice or request is taken to have been filed in accordance with this Act.

Note: For *file* see section 6

The applicant's submissions

With her letter of 18 March 1996 requesting revival of the lapsed application Ms Segall had lodged a declaration made by Robert Bernard Hampshire, a director of QUEENSLAND KAOLIN MINES PTY LIMITED (QKM) dated 14 March 1996 (the first Hampshire declaration). Mr Hampshire stated that Ausorb had gone into liquidation and that a receiver and manager had been appointed, that QKM had negotiated to purchase Ausorb's trade marks, including that of the present application, with the receiver who, he said, was able to provide "very little, if any, information or documentation concerning the status of the former Applicant's trade marks". Despite this, the trade marks, including the present application, were assigned to QKM on 21 December 1995. He said that as a consequence of the liquidation the application was neglected and matters requiring attention, in particular the outstanding examiner's report, had been overlooked. In those circumstances QKM sought revival of the application. Following the negative response of the Director, Trade Marks Support & Administration of 16 April 1996, Ms Segall requested a hearing which was set down for 12 July 1996 in Sydney.

At the hearing Ms Segall tendered a further declaration by Mr Hampshire (the second Hampshire declaration) dated 12 July 1996. In this declaration Mr Hampshire stated that Ausorb had had voluntary administrators appointed on 10 August 1995 but that it was subsequently placed in receivership and a receiver and manager was appointed. A predecessor of QKM had entered into an Asset Sale Agreement with the receiver on 7 December 1995, the "assets" being expressed to include the business name AUSORB, the goodwill of the business and the trade marks, as well as the company's records, various mining leases and the plant and equipment and stock in trade. The agreement was completed on 21 December 1995 and authorised QKM to trade under the business

name AUSORB. A copy of the consent to the registration of the business name AUSORB by QKM is annexed to the declaration.

Mr Hampshire went on to state that according to information provided by the receiver at the time of the sale Ausorb, trading under that name, had commenced operations in July 1991, concentrating on pet litter products, that by 1995 it had acquired approximately 20% of that particular market, supplying the product through major supermarket retailing chains. The assignor's financial statements showed that its sales had grown steadily from 1993 to 1995 in which year it had achieved gross sales of approximately \$2 1/2 million. Mr Hampshire further stated that QKM had continued to use the trade mark KAO.KAT and that in the quarter to June 1996 the cost of plastic bags alone for the packaging of the product was approximately \$92,000. A sample of such a plastic bag is annexed to the declaration clearly showing the prominent use of the trade mark in relation to cat litter. Also annexed is a copy of an article from the Australian Financial Review of February or March of 1995 showing the trade mark in use on a bag of cat litter with clear references to Ausorb.

Mr Hampshire further stated that in early December of 1995 he had met a Mr Fritz Mare. He annexed to his declaration a copy of a Company Extract from the records of the Australian Securities Commission (ASC) showing that a Frederik Antonius Mare was a director, secretary and one of two shareholders of MACQUARIE VENTURES PTY LIMITED which is the applicant of the later lodged application for the trade mark KAO.KAT. The ASC report gives the principal activity of the company as "Entrepreneur". Mr Hampshire said that Mr Mare had indicated to him that he was also bidding for the purchase of the business assets of Ausorb and believed that his bid

had been accepted. Mr Mare's bid, however, had been unsuccessful, being lower than that of QKM, but that company had applied for registration of the trade mark on 8 December 1995, the day following the agreement between Ausorb and QKM. Mr Hampshire added that MACQUARIE VENTURES had since purchased another operation engaged in mining and marketing absorbent products which was in competition with the operations of QKM.

I indicated to Ms Segall that the application to record the assignment of the trade mark to QKM and the original deed of assignment which she had submitted under cover of her letter of 18 March 1996 were not on the file. She informed me that both documents had been returned to her. She was able to tender the original deed of assignment made between Ausorb (in liquidation) and QKM dated 21 December 1995. Attached to the deed is a "With Compliments" slip from the Trade Marks Office addressed to Segall & Associates, marked to the attention of Colleen G. Segall. A date stamp on the slip showed that the deed had been received in the office of Segall & Associates on 28 June 1996. She was unable to provide me with the original of the application to record the assignment. I was able to establish subsequently that the deed had been returned in response to a request by Ms Segall herself dated 13 June 1996. This letter had been placed on file no. 579440 to which the deed also related. The original of the application to register the assignment of trade marks nos. 579440, 603972 and 624891 was also found to be on that file. There was nothing on the file of the present application, 603972, to indicate that that transaction had taken place.

Decision

As stated above, I am required, in deciding whether to revive this application, to decide whether, in all the circumstances of the case, it is fair and reasonable to do so. I must say that, given the history of the application, the prosecution of it has been very badly handled. The application in fact lapsed three times in all: on 3 July 1995, on 3 September 1995 and finally on 3 November 1995. On the first two of those occasions the application was allowed to be revived and an extension of time given for acceptance despite the requests for such extensions being made late and on the second occasion unaccompanied by the prescribed late fee. The final lapsing was advertised in the *Official Journal* and the request for revival was met by a subsequent application for registration of the same trade mark. Hence these proceedings. However, none of the blame for the poor prosecution of the application can be attributed to Ms Segall or to QKM who both entered the picture at a later date. Moreover, there were unusual circumstances in the case to do with the winding up of the applicant company and the appointment of a receiver/manager which go some way to explain why matters were not handled as expeditiously as they might have been.

What has more weight with me in reaching my decision, however, is that I am persuaded that the trade mark had been used continuously by Ausorb since 1993 until 1995 and that it was then assigned to QKM which has used it since that date. It has also been shown that a bid was made for the assets of Ausorb on behalf of MACQUARIE VENTURES, the later applicant, which must therefore have known of the use of the trade mark by AUSORB. If I am wrong about any of that it will be open to MACQUARIE to oppose the registration of the mark should the application be revived and then proceed to acceptance. On the other hand, if I refuse to revive the application and leave the way open to MACQUARIE to have its application accepted the probability is, on the

evidence presently before me, that QKM would be able successfully to oppose the registration by virtue of a legitimate claim to proprietorship of the mark on the basis of its prior use.

There is also the question of the public interest in having the Register reflect the actual state of affairs. QKM is the owner of the trade mark by virtue of the use made by it and its predecessor in business. It has been granted the right to use and to register the business name AUSORB under which its predecessor traded. There is an established market for the goods and an established reputation in the trade mark which inures to the benefit of QKM. In the hands of MACQUARIE VENTURES, therefore, the trade mark could well be deceptive and confusing to a substantial number of persons.

For the reasons set out above I have decided that, in all the circumstances of this case, it is fair and reasonable to revive the application. Accordingly, I have attached a declaration pursuant to subsection 248(2) to this decision.

It follows that, in accordance with subsection 248(3) and s240, the application is now to be dealt with in accordance with the Act of 1995. The objections taken by the examiner to the acceptance of this application in her report of 30 March 1994 were of course taken under the 1955 Act. As there are no provisions in the 1995 Act requiring disclaimers of non-distinctive elements of trade marks or for registration in Part B of the Register the application is in order for acceptance. However, it will be necessary to extend the time for acceptance of the application. With her letter of 18 March 1996 requesting revival of the application Ms Segall lodged an amount sufficient to extend the time for acceptance by four months. As the application lapsed on 3 November 1995 the due date, if the

application were to be revived, then became 3 March 1996. It will therefore be necessary for the applicant to apply to extend the time for acceptance to a date which will allow me sufficient time to accept the application. The onus will be on the applicant to keep the application alive until acceptance can be achieved otherwise it will lapse again. In the circumstances I am prepared to waive the payment of the prescribed late fee in relation to the application for extension of the time for acceptance.

Conclusion

I have decided that the application may be revived.. I have also decided that there is now, in accordance with the *Trade Marks Act 1995*, no substantive objection to the registration of the trade mark KAO.KAT. However in accordance with that Act the applicant must now seek an extension of time for acceptance of the application pursuant to s224, subsections 5 and 6 of which provide that an application for extension of time for more than 3 months must be advertised in the *Official Journal* and may be opposed by any person. I have decided to allow an extension of time from 3 November until 3 February for which the prescribed fees have been paid. Therefore it will now be necessary for the applicant to apply for a further extension as from the latter date, and for the Registrar to advertise that application for opposition. If the extension of time is not sought or is successfully opposed I will have no option but to refuse the application for registration.

Michael Homann
Hearing Officer

6 August 1996