



TRADE MARKS ACT 1995

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

Re: Opposition by CASTLE BACON PTY LTD to the application to remove trade mark registration number 620033(29) - SMILEY- under section 92 of the 1995 Act by FRANKLIN LOUFRANI.

Background

Trade mark registration 620033 of the word SMILEY, in plain upper-case script, is owned by Castle Bacon Pty Ltd ('Castle') of 64 Richards Road, Castlemaine, Victoria, in Class 29 of the *International (Nice) Classification of Goods and Services* for the goods:

Meat, fish, poultry and game including manufactured meat and processed meat products

On 30 June 1999, Mr Franklin Loufrani, ('Loufrani') of 114 Eaton Square, London, England filed application under section 92 of the *Trade Marks Act 1995* for the removal of the registration for all goods for which the trade mark is registered other than processed beef luncheon meat.

The relevant three-year period of the purported non-use of the trade mark by Castle is therefore from 30 May 1996 until 30 May 1999 ('the relevant period').

On 29 October 1999 Castle filed Notice of Opposition to the removal of the trade mark. Relevant to the grounds which were argued at the hearing, the Notice claims that Loufrani is not a person aggrieved, that the trade mark is not vulnerable to removal and that the trade mark was, in fact, used by Castle within the relevant period.

Castle's evidence in support of the opposition is a statutory declaration by Mr Robert Alexander Cordy ('the Cordy declaration'). The Loufrani evidence in answer is a statutory declaration by Nicolas David Yves Loufrani ('the Loufrani declaration'). Castle evidence in reply is a statutory declaration by Lindsay Francis Park ('the Park declaration').

The Cordy Declaration

Mr Cordy is General Sales Manager of Castle – a position he has held for over seven years. He has worked for Castle for approximately twenty three years in a variety of positions including Chief Chemist, Technical Services Manager and Manufacturing Manager. He avers that Castle first used the SMILEY trade mark in Australia in 1993 and that the trade mark has predominantly been used in relation to a meat luncheon loaf, or luncheon meat, generically referred to as a pastete, which contains pork and beef. (Castle has another trade mark, a device trade mark, which is a ‘happy’ face composed of the ingredients of the pastete – the pork is used to form the face, the nose and eyes are formed of the beef ingredient).

The suggestion that Castle first make these particular goods bearing the SMILEY trade mark came from Coles New World (‘Coles’) and Castle supplied these goods exclusively to Coles for the first two years of manufacture (1993 to 1995). Since then, the goods have also been sold through Woolworth’s supermarkets, Safeways which is Woolworth’s brand in Victoria, David’s Independent Stores, Purity and Rolf Voss stores in Northern Tasmania.

Mr Cordy attests that a number of different ingredients have been tried for pastetes, a number of which have been sold. In addition to the pork and beef pastete, which is an on-going product, these ingredients include ham and chicken, cheese and meat and strasbourg containing pork, beef, lamb and often chicken – this was sold in Coles supermarkets from 1996 for over twelve months. It is not obvious from the Cordy declaration which of these pastetes was actually sold apart from the strasbourg.

The trade mark was, and is, used on labels, packaging, mobiles, posters and signage, placards, fridge stickers, badges worn by sales staff and clothing. Examples of these are in evidence.

Castle supplies sales figures of the goods in the Cordy declaration. These are respectable; however, Mr Cordy states that, due to Castle’s method of record keeping, it is not possible to split the sales figures down according to the individual product lines within the pastete range.

The Loufrani Declaration

Mr :Loufrani, who I understand to be the son of Franklin Loufrani, is Vice President, Marketing, of Smiley Licensing Corporation Limited (‘Smiley’) of London. He does not give his length of service with Smiley.

He asserts that Mr Franklin Loufrani is world-wide owner of the trade marks SMILEY and the SMILEY face design and composites of these. The declarant asserts that Mr Franklin Loufrani is the applicant for the registration of application 793074 and that this registration, 620033 has been cited by a trade mark examiner as a bar to the registration of the application.

The declarant avers that, at the filing date of the non-use application, Mr Frank Loufrani had a firm and fixed intention to use the SMILEY trade mark in relation to various foods containing or comprising meat, fish, poultry and game and that this intention is evidenced by:

- the appointment of Gaffney International Licensing Pty [sic] (a Melbourne based character merchandising agency) by Franklin Loufrani and Smiley to license the SMILEY trade mark
- Smiley has already commenced using the SMILEY trade mark in Australia on a range of clothing, glassware, mugs, key rings, stubby holders, cooler bags, mouse mats, coasters, openers, magnets, clocks, stress balls, beanies toys and tin ware.
- brochures which feature the SMILEY trade mark which are attached as exhibit A to the Loufrani declaration.
- brochures which feature the SMILEY trade mark in use on various foods including those which include meat, fish, poultry and game, in other countries round the world. These are exhibit B to the declaration.
- applications or registrations of the SMILEY trade mark in Class 29 in various countries round the world. The list is exhibit C to the declaration.
- Mr Loufrani and Smiley are disadvantaged in a legal and practical sense by the continued registration of the Smiley trade mark.

I do not believe that the brochures and advertisements at exhibit B show any use by Loufrani of the trade mark SMILEY on meat, fish, poultry or game. There is evidence of use by various overseas licensees of the trade mark on a 'Slurpee' meal, comprising an iced drink (Class 32) and hamburger (Class 30); confectionery (Class 30); biscuits (Class 30); some take-away foods which could be in Class 29 but appear to be more likely to be Class 30 goods or might be more properly regarded as a part of a service; coffees (Class 30); potato fritters; corn snacks; and, ice-cream. Mr Vince Loufrani is therefore mistaken in his assertion. Additionally, very often, this use appears to be of a 'smiling button' device and without any use of the word SMILEY

He concludes by stating that the trade mark should be 'partially removed from the register because of the clear absence of any commercial use of the mark other than for "processed beef luncheon meat."'

I will state now that I find Mr Nicholas Loufrani's latter assertion to be most surprising in view of the clear (and earlier) evidence of Mr Cordy that the trade mark had, at least, been used on a luncheon meat that is comprised of pork and beef.

The Park Declaration

Mr Park, in his declaration, states that he has worked for Castle for over eight years and confirms that the luncheon meat on which the trade mark is used contains, predominantly, pork and beef. He also confirms the use of the trade mark on strasbourg which contains pork, beef, lamb and occasionally chicken.

The Hearing

At the hearing of this issue, Loufrani was represented by Ben Fitzpatrick of Counsel and Castle was represented by Elspeth Strong of Counsel. Submissions of Counsel were extensive and focussed on the extent of use of the trade mark and whether the applicant, Loufrani, is a person aggrieved,

Reasons

Person Aggrieved

It is a threshold requirement of section 92 that the applicant for removal be a person aggrieved. *Prima facie*, the applicant will be accepted as being a person aggrieved until that status is challenged. Once that status is challenged, the onus is on the applicant for removal to show that he or she is a person aggrieved.

The Loufrani declaration states that an exclusive license to use the trade mark has been granted to Smiley who has in turn appointed Gaffney International Licensing Pty Limited ('Gaffney') to license use of the trade mark in Australia. There is no mention in the Loufrani declaration of any person who has approached Gaffney concerning any proposed use of the trade mark on meat, fish, poultry or game in Australia. Indeed, it is Loufrani's evidence that, despite extensive licensing operations throughout the world, it has not licensed use of the trade mark on these goods anywhere in the world. It is in these circumstances that I must decide whether the applicant, Loufrani, is a person aggrieved.

In *Woolly Bull Enterprises Pty Ltd v Reynolds* [2001] FCA 261, at para 6, Drummond J said:

I do not think that the Registrar was correct in holding that if an applicant for trade mark registration is barred by an existing registration that, without more,

means he is a "person aggrieved" with respect to the latter mark for the purposes of s 92. In *The Ritz Hotel Ltd*¹, it was said at 454 that a "person aggrieved" in the present context:

"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 ..."

To be capable of registration as a trade mark, a sign must be "used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person" from the goods or services of others (s 17). Only a person so using or intending to use a sign is entitled to apply for its registration as a trade mark (s 27). It is a ground of opposition to registration of a trade mark that the applicant does not intend to use the mark "in relation to the goods and/or services" specified in the application. An object of the 1995 Act is to create, by registration of trade marks, a species of tradeable property - see ss 21 and 22 - but only where such marks are connected with actual or contemplated trade in goods or services. It would be contrary to this object of the 1995 Act to accord standing to a person to attack a registered mark on the ground that that person had made his own application for registration of a conflicting mark where there was ***no proof that the person either had a trade in goods marked with the mark*** the subject of his registration application or ***had a bona fide intention to trade in such goods***. Such a person cannot be said to be "appreciably disadvantaged in a legal or practical sense" by a mark he wishes to attack remaining on the Register. (Stress added).

Moreover, in *Kraft Foods Inc v Gaines Pet Foods Corporation* 34 IPR 198, at 207 – 208, Sackville J stated:

While care must be taken not to introduce too much refinement, the authorities have identified certain circumstances in which an applicant for removal of a trade mark is, or is very likely to be, a "person aggrieved". *Powell v Birmingham Brewery*² illustrates that a person who is in the same trade as the registered proprietor of the mark and who shows that he or she will use the mark, is ordinarily a "person aggrieved" for the purposes of a removal application. A trader who has dealt in the same class of goods as the registered proprietor and shows that he or she could use the mark, establishes a prima facie case that he or she is a person aggrieved for the purposes of a removal application. The inference may be rebutted by evidence from the objector, demonstrating that the applicant would not take advantage of the opportunity to use the mark, but in the absence of such evidence the prima facie inference remains. A person who has used a mark, especially if the mark has been used on a similar class of goods, and

¹ *The Ritz Hotel Ltd v Charles of the Ritz Ltd* (1998) 12 IPR 417

² *Powell v Birmingham Vinegar Brewery Co* (1894) AC 8

who remains in the same business, also will usually be a "person aggrieved" for the purposes of s.23(1) of the TM Act: *Farley v Alexander*,³ at 492; *Continental Liqueurs Pty Ltd v G F Heublein and Bro. Incorporated* (1960) 103 CLR 422, at 427-428, per Kitto J, rev'd on other grounds: (1962) 109 CLR 153; *Re Carl Zeiss Pty Ltd's Application* (1969) 122 CLR 1, at 4, per Kitto J. The same applies to an alleged infringer of a mark: *NSW Dairy Corp v Murray Goulburn Co-Operative*,⁴ at 77.

The fact that an applicant who demonstrates a particular interest in a trade mark is a person aggrieved does not necessarily mean that a person who cannot show the same interest is not aggrieved. But the statutory requirement, which has been deliberately retained by Parliament in both the TM Act and its successor, must have some meaning. Clearly, a person who is a mere intermeddler or officious interferer is not a person aggrieved. The applicant must demonstrate, to use the language of McLelland J, at least a reasonable possibility of being "appreciably disadvantaged in a legal or practical sense" by the trade mark remaining on the Register.

A number of cases provide illustrations of applicants who have failed to meet the statutory requirement. In the *Matter of Trade Mark No. 70,078 of Wright Crossley and Co* (1898) 15 RPC 131 (Ch D/Romer J), the respondent, Wright Crossley and Co, had obtained registration of their own name as a trade mark in respect, inter alia, of baking powder. The applicant, which sold baking powder in the United States, sought removal of the trade mark on the ground of non-user. Romer J referred to cases putting forward a liberal construction of the phrase "person aggrieved". His Lordship then said (at 133) that a person must

"show that in some possible way he may be damaged or injured if the Trade Mark is allowed to stand; and by 'possible' I mean possible in a practical sense, and not merely in a fantastic view."

Notwithstanding Mr Nicholas Loufrani's claim to the contrary, I do not think that Loufrani is a person aggrieved. Loufrani does not "trade in the goods marked with the mark" and, I believe, as a person who licenses the use of his trade mark in Australia, he should show that there is a reasonable possibility that the trade mark will, in fact, be licensed to put himself into the position of being a person aggrieved. From the evidence before me, it appears to be entirely speculative as to whether Gaffney (the Australian character merchandising agency) will find anyone to use the trade mark in relation to meat, fish, poultry and game. There is no evidence before me as to Gaffney's efforts to find licensees to use the trade mark on the goods in question. Neither Loufrani nor Smiley have licensed use of the trade mark on these goods elsewhere in the world and there is no evidence of licensing, or attempts to license, the

³ *Farley (Aust) Pty Ltd v J.R. Alexander and Sons (Qld) Pty Ltd* (1946) 75 CLR 487

⁴ *New South Wales Dairy Corporation v Murray Goulburn Co-Operative Company* (1989) 14 IPR 75

trade mark in Australia in relation to any food or drink – Loufrani appears to be therefore effectively on a fishing expedition in which the prospect of landing a user for its trade mark on meat, fish, poultry or game is, at best, uncertain and possibly unlikely. Under these circumstances, the proposition that there is a “*reasonable* possibility of his being appreciably disadvantaged in a legal or practical sense by the register remaining unrectified” cannot be maintained.

I therefore conclude that Loufrani has not discharged the onus now on him to show that he is a person aggrieved.

The Use

Castle has used its trade mark during the relevant period on a pastete which comprises pork and beef – I gather that Loufrani concedes this use although the ingredients of the pastete appear to have been unexpected. Castle has also used the trade mark on a strasbourg comprising pork, beef, lamb and, occasionally, chicken from 1996 for over twelve months – this use was challenged by Loufrani but the declarants appear to me to be reliable and credible and they are in positions within Castle to well know the ingredients of this product. Therefore, I accept their statements as to the use of the trade mark in relation to the strasbourg. As the relevant period is 30 May 1996 until 30 May 1999, Castle must have used the trade mark in relation to strasbourg (as well as pastete) within the relevant period. Loufrani seeks removal of the trade mark for all goods except for “processed beef luncheon meat”. Mr Cordy refers to the goods as being a meat luncheon loaf. It appears to me that the narrowness of the restriction sought by Loufrani means that the application for removal must fail since Castle has shown that it has used the trade mark on a range of goods wider than processed beef luncheon meats within the relevant period. It must be observed that Castle have affirmatively shown that they have used the trade mark on a range of goods wider than "processed beef luncheon meats" and that is all they needed to show me to defeat the application. My role is not now to look at which goods they have used the trade mark in relation to and restrict the specification of goods of the Castle registration accordingly. If I were to contemplate that action, Castle could argue with some force that they have addressed the application as filed and that, if it had been filed in terms that were more broad, Castle may have led evidence which addressed that broader claim.

Decision

Once the status of Loufrani as a person aggrieved is seriously challenged, the onus is on Loufrani to demonstrate that he is a person aggrieved. This he has not done.

The narrowness of the restriction (or broadness of the partial removal) sought by Loufrani is such that it can be defeated by use shown by Castle on any goods wider than “processed beef luncheon meats”. Castle has shown this.

I therefore refuse the partial removal application.

Costs

Costs may follow the event – Castle is entitled to its costs which I award against Loufrani.

Ian Thompson
Hearing Officer

25 July 2001