



TRADE MARKS ACT 1995

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

Re: Opposition by Le Cravatte Di Pancaldi S.r.l to an application under s92 in the name of Camiceria Pancaldi and B S.r.l. for the removal of trade mark registration no 630413.

On 20.5.94, Le Cravatte Di Pancaldi S.r.l filed an application, no 630413, to register the following trade mark:



The goods covered by the application, filed in class 25 were, at that time:

Ties, scarves and other men's clothing accessories included in this class, including shirt-fronts, sailors, sashes for dinner jackets, braces, socks and slippers and all other goods in this class.

During the course of examination, this range was narrowed to:

Ties, scarves and other men's clothing, accessories included in this class including shirt fronts, cravats, sashes for dinner jackets, braces, stockings and socks, silk neckerchiefs, handkerchiefs, bow-ties, waist coats, shawls, garters, hats, dressing

gowns, dressing-coats, bathrobes, slippers, with the exclusion of shirts, trousers, leather clothing, knitwear, shoes

With that statement of goods, the trade mark was duly registered.

It is important to note, for the purposes of the following decision, that the application, when filed, claimed an earlier priority date under the divisional provisions of the *Trade Marks Act 1955*. In simple terms, that claim was based on the mark being identical to that of an earlier-filed application, number 559234, by the same applicant and still pending at the time, and which sought a broader statement of goods than the present application. Under s 43, such an applicant could claim the benefit of the filing date of the earlier application - the parent application as it were. With the restriction of the goods, the claim was in order and the later application therefore was entitled to proceed as a divisional. The 1955 legislation was still in force when the divisional application was accepted on 16.11.95. On that date, by accepting the application, the Registrar made a direction approving its status as a divisional. Under s 43 of the 1955 act, therefore, it is to be taken to have been lodged on the date on which its parent was filed, 8.7.91.

The *Trade Marks Act 1995* commenced to govern the application only once it was placed on the register - see s 241(2) of the transitional provisions. What is critical is that the effective filing date of 630413 is and remains 8.7.91.

However, application no 630413 was still pending when, on 5.7.96, Camiceria Pancaldi and B S.r.l. ("the removal applicant") applied to remove the trade mark in question from the register. At that time, there was obviously no registration to be removed.

The Trade Marks Office accepts that the terms of s 92 allow a removal application, such as that filed by the removal applicant, to be filed before the trade mark is actually registered,

though it cannot be dealt with until the mark is entered onto the register. I will set down the terms of the relevant provisions below, and explain my view of why that practice is correct.

Though both grounds set out in s 92(4) are claimed, the removal applicant has conceded that only one ground is available. That single ground is set out in para (a) of sub-s 92(4).

This, with bolding added to assist clarity, requires that:

(a) ... 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;

Upon registration of the trade mark, the Trade Marks Office advertised the removal application for possible opposition. Le Cravatte Di Pancaldi S.r.L, newly registered as the owner of the trade mark, filed a notice of opposition to the application for removal. In deciding that opposition, the subject of the present proceeding, I will refer to the removal opponent simply as "the opponent".

As per the regulations, the opponent served on the applicant a copy of its evidence in support of its opposition to removal. That evidence consists of a declaration by Leda Ziosi, the managing director of the opponent company. The applicant elected not to serve evidence in answer and requested a hearing.

The matter was set down for hearing before me, as a delegate of the Registrar of Trade Marks. Kate Johnston, a solicitor of the removal applicant's patent attorney firm, Spruson

and Ferguson, appeared for the applicant. The opponent was not represented at the hearing but relied on written submissions by its patent attorney, Brett Connor, of the attorney firm Carter, Smith and Beadle.

In the lack of detailed submissions from the opponent on some of the issues raised at the hearing, I will deal with the matter under the following headings:

- filing of a removal application before the attacked trade mark is registered
- standing of the removal applicant as a person aggrieved
- has the trade mark been used
- intention to use the trade mark

Filing of a removal application before the attacked trade mark is registered

This was the only matter that the opponent addressed in its written submissions. Mr Connor relied on *Vamuta Pty Ltd v Sogo Company Limited*, 148 ALR 407, 35 IPR 209. The opponent's question was this: whether an application for removal can be filed before a trade mark application is registered.

In *Vamuta*, Burchett J considered a similar question in relation to a non-use application filed under the generally equivalent provisions of s 23 of the *Trade Marks Act 1955*. I will not repeat all the essential parts of the judgement but will attempt to summarise the matter, as follows.

Under the older legislation, there was a powerful deeming provision, s 53. The effect of this on a removal application was that a period of non-use, after the making of an application for registration but before the registration of that application, could count against the continuance of the mark on the register. That was established by the High Court in *Hunter Douglas Australia Pty Ltd v Perma Blinds* (1970) 122 CLR 49.

In *Vamuta*, Burchett J considered the High Court case in detail. He noted that *Hunter Douglas* established that, despite the plain reading of the non-use provision itself, the period of use or non-use could, for the purpose of deciding an application for removal that was made **after** registration, include time before registration. He none the less went on to summarily dismiss a s 23 application that was actually made, to the Federal Court, at a time before registration.

Of the earlier judgement, and its consequences, Burchett J said:

The court is not without guidance concerning the meaning of s 23. It was the subject of an elaborate analysis by Kitto J and by the full High Court in *Hunter Douglas Australia Pty Ltd v Perma Blinds* (1970) 122 CLR 49. What was there held was that, once a mark is registered, ss 23 and 53 have the effect of requiring a period of non-use, after the date of the application for registration and before the occurrence of the act of registration, to be taken into account for the purposes of s 23. However, nothing in any of the judgements suggests that proceedings may be commenced under s 23 at a time when no registration has been effected.

He went on to consider the case in further detail, then concluded:

If the law generally permitted actions to be commenced before any cause of action had accrued, it might be that nevertheless some plausible argument could be mounted on the basis of the literal effect of reading s23 with s 53. But the authorities are to the contrary. If they were not, of course, contrary to what Barwick CJ said in the passage I have quoted, s 23 (1) (a) would be available to support a proceeding 1 month after the lodgment of an application for registration.

I take it from this concluding paragraph that there must be a specific provision under the new legislation if comparable applications for the removal of a trade mark from the register are now to be able to be made before registration of the trade mark in question.

The new provision, in my opinion, at s 92(1), is quite clear and does just that. It begins:

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.

Section 92(1) does not say that the trade mark must be registered at the time the removal application is filed. It says just the opposite; it allows for an application to be made by a person who is aggrieved that a trade mark may be registered. Obviously, it must then be registered before the registrar is able to grant the removal applicant that which it seeks. Subsection 3 does not change this, it merely excludes applications made to the registrar if there are court proceedings on foot.

Finally, s 93(1) is headed "Time for making application". It reads:

(1) Subject to subsection (2), an application for the removal of a trade mark from the Register may be made at any time after the filing date in respect of the application for the registration of the trade mark.

(2) An application on the ground referred to in paragraph 92(4)(b) may not be made before a period of 5 years has passed from the filing date in respect of the application for the registration of the trade mark.

These differ markedly from old s 23(1)b, which was heavily qualified by reference to the fact that "a continuous period of not less than 3 years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith...". It was this qualification that was at issue in *Hunter Douglas*, supra

It follows from the terms of s 93(1) that a non-use application can be made under s 92(4)a at any time after the filing of the application for registration. It need not be limited to the "one month after filing" referred to in *Vamuta*. That is entirely consistent with the *Explanatory Memorandum* on the subject. This reads, at paragraph 78:

An application for the removal of a trade mark from the Register may be made at any time after the filing date in respect of the application for the registration of the trade mark; except for an application based upon the ground referred to in paragraph 92(4)(b), which may not be made before a period of five years has passed from the filing date in respect of the application for the registration of the trade mark.

Section 93(1) does, however, have one implication for this application. The removal application was filed on 5.7.96. Under the terms of s 53, trade mark registration 630413, a divisional of an earlier application to which I have already referred, is taken to have been filed on the day on which the initial application concerned was lodged. The effective filing date of 630413 is thus 8.7.91, less than five years before the removal application was filed. Therefore, given the terms of s 93(1), the application is a nullity in so far as it claims to have been made under the terms of s 92(4)b. However, s 92(4)a continues to be available, as I have already noted.

Removal applicant's standing as a person aggrieved

The general principles of this issue have been considered by Deputy Registrar, Hearings, Ms Hardie, in relation to *Application by Intensity Pty Ltd for removal of trade mark number 565476, INTENSITY, registered in the name of Gavin James O'Mahoney* - publication pending.

The opponent did not challenge the standing of the removal applicant. The removal applicant had, when making its application, filed the necessary declaration under regulation 9.2. That declaration established to the satisfaction of the Trade Marks Office that the removal applicant is a person aggrieved. That is sufficient: the onus is on the opponent to

undermine the applicant's standing, not on the applicant to bring in evidence to justify its right to make the application. I will not, in the absence of any argument from the opponent on the issue, say anything more except that I am satisfied that the applicant has the necessary standing.

Has the trade mark been used?

Given that the removal application can proceed only under s 92(4)a, I quote from s 100(1):

In any proceedings relating to an opposed application, it is for the opponent to rebut:

...

(b) any allegation made under paragraph 92(4)(a) that the trade mark has not, at any time before the period of one month ending on the day on which the opposed application was filed, been used, or been used in good faith, by its registered owner in relation to the relevant goods and/or services;

Here, the opponent's evidence in support of its opposition to removal is critical.

Ms Ziosi, the declarant, has stated that, to quote the relevant clauses of her declaration:

3. Since 8 July 1991 the company has been selling goods marked with the mark VITALIANO PANCALDI & Chevron Device directly to clothing wholesalers and retailers in Australia for sale on the retail market.

4. Shown to me and marked as 'Exhibit LZ1' are copies of invoices for goods sent directly to Harrolds Gentlemen's Outfitters of Melbourne, Victoria, Australia for sale in that store. The invoices are dated 8 June 1993, 21 February 1994 and 26 March 1996. The goods specified on these invoices include ties, pocket handkerchiefs, sashes for dinner jackets, underwear and handkerchief sets.

5. As indicated on the invoice of 26 March 1996, a cardboard tie display was also provided for advertising purposes. Shown to me and enclosed as "Exhibit LZ2" is a photograph of the cardboard tie display referenced in the invoice of 26 March 1996.

6. Shown to me and attached as "Exhibit LZ3" are copies of invoices of goods sent directly to Alpac Pty Ltd of Melbourne, Victoria, Australia dated 9 November 1994, 2 February 1995 and 17 January 1996. The goods identified on these invoices include ties, underwear sets, bow ties and a tie display as shown in the above referenced "Exhibit LZ2".

7. Shown to me and attached as "Exhibit LZ4" is an invoice dated 1 December 1994 to company Xile Pty Ltd of Brisbane, Queensland, Australia. The invoice is in respect of ties, underwear sets and a cardboard tie display.

8. Shown to me and attached as "Exhibit LZ5" is a photograph of the cardboard tie display referenced in the invoice of I December 1994.

9. Shown to me and attached as "Exhibit LZ6" is a photograph of the cardboard box used for shipping the goods identified in the above said invoices, and a sample of the adhesive tape used for closing said cardboard box.

10. Shown to me and attached as "Exhibit LZ7" is a PVC envelope in which is individually packed any tie good identified in the above said invoices.

11. Shown to me and attached as "Exhibit" LZ8" is a portion of a cardboard envelope for tie and a tie stand shipped as advertising material together with the goods identified in the above said invoice.

Ms Johnston, on behalf of the removal applicant, was quite critical of this declaration.

She noted that the invoices, while pre-printed, at the very top of the page, with the trade mark in question, do not necessarily indicate that the mark has been used in the course of trade in goods. What trade marks have been used is, on the face of it, a good question.

In exhibit LZ1, for instance, there are somewhat cryptic words, in the column headed "Description". Words such as:

TIE F.NORMALE -L.CM.9

SPECIALE 91

appear to make up a list of items ordered.

There are other such:

TIE F.NORMALE -L.CM.9

CRESPO JACQUARD

and

TIE F.NORMALE -L.CM.9

VITALIANO CRESPO F

and

TIE F.NORMALE -L.CM.9

VITALIANO F

Taken in isolation, these invoices are unsatisfactory. However, they are themselves subject to Ms Ziosi's declared statement at clause 3. She asserts that: "the company has been selling goods marked with the mark VITALIANO PANCALDI & Chevron Device directly to clothing wholesalers and retailers in Australia for sale on the retail market", and that the

invoices in question are relevant to those transactions. These two pieces of evidence are also to be seen in the light of the tie displays and tie packaging.

Ms Johnston, however, was also critical of the lack of evidence that the goods invoiced were ever received. I do not accept this is necessarily valid. Once a mark has been used in a commercial transaction in Australia, I do not see that it matters that, perhaps, the particular order never arrived. There has, by the time that failure is apparent, already been use of the trade mark in question. The *YANX* case, (1951) 82 CLR 205, shows that relevant goods need not be in Australia at the time the trade mark is used, since a trade in relation to goods can be carried out even before the goods have arrived in Australia.

However, *YANX* was based on a situation where the goods were clearly offered for sale in Australia under the mark. See page 205 of the report, where the use is said - with my own bracketed explanatory phrases added - to be, "so as to designate the applicant's cigarettes in the minds at least of McDonald (a buyer) and some executives of Bulk Buyers Ltd and Tozer Kemsley and Millbourn (Aust) Pty Ltd. (two Australian agents for the cigarettes in question)".

That use was in a two-way transaction. There was clear evidence of an initial request by the prospective buyer, and agreement by the seller's agent to supply the goods. The present matter is somewhat different. The use on these invoices is not necessarily in response to an order for goods under the mark in question, so the invoice does not necessarily establish that a transaction, a commercial use of the mark, was completed. On the other hand, Ms Ziosi states that the goods were sent, and it is on the face of it a strong thing to assume that these invoices are anything but bona fide.

Ms Johnston's criticism applies with more force, however, to the cardboard tie display that Ms Ziosi refers to in clauses 5 and 7. The samples were not apparently either asked for or expected. Such unsolicited consignment of samples can only amount to trade mark use when the samples arrive and are in use as samples for the purpose of attracting business. The decision of McGarvie J in *Settef SpA v RivOland Marble* (1988) AIPC 90-516 gives a good picture, at p 38438 of the sort of use of samples that is a trading use, but the mere consignment of unwanted samples, unilaterally, with no evidence at all that they were ever received or displayed, is not sufficient.

At clauses 9, 10 and 11, it is said by Ms Ziosi that any "tie good" referred to in any of the invoices is sent to the customer in a bag bearing the mark in question, and that all relevant goods are boxed in cartons similarly marked. The "tie stand" referred to in exhibit LZ8 of

her declaration is what I would call a tie hanger, such as might be used to hang a single tie on a rail in a wardrobe.

Arguably, the receipt of ties, so wrapped and with such hangers, would be use of the trade mark. However, while it would have been easy for the opponent to establish that such goods were received, presumably wrappings and all, but this has not been done. It may even be that various stamps, which are in a language other than English, applied to the invoices attest to their consignment into the hands of a freight company, or could otherwise shed some light on that matter. As it is, the meaning of these documents is a matter of some doubt and speculation. Ms Ziosi has, however, declared to the fact that particular goods were sent to a particular named supplier. Since it would presumably be fraudulent not to have supplied goods for which there was a bona fide invoice, I think Ms Ziosi's declaration must carry sufficient weight on that point.

Taking the invoices with the declared statement, and with the (arguably unsolicited) sending of tie displays, even if there is no proof that they were received, and with the somewhat inconclusive statements about hangers and packaging, I am satisfied that the trade mark has been used in relation to ties. However, while I accept the veracity of Ms Ziosi's statement, I must reach my own finding on a critical question of fact, taking all the strands of the evidence together. Given the looseness of the details of the invoices, I do not accept that use has been established, as a question of fact, on any other goods.

Was there an intention to use?

Under the present act, unlike the situation under the 1955 Act, the onus is clearly on the opponent to establish, at least prima facie, an intention either to use its trade mark or to take some other relevant and specified action. As s 101(1)(a) puts it:

In any proceedings relating to an opposed application, it is for the opponent to rebut:

(a) any allegation made under paragraph 92(4)(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 opposed application relates (*relevant goods and/or services*);

The opponent has not addressed this issue. I think that, more likely than not, there was a legitimate intention to use the trade mark at the time the application was made. I would

emphasise, however, that this was a matter on which neither side made submissions, and that I have reached this position with some hesitancy.

I have found that the trade mark was in use in relation to ties within a year of the date on which the divisional application was submitted to the Trade Marks Office. I believe that I can infer from this an intention, at the time of filing, to use the mark in question. The contrary inference would be unreasonable. There is a prima facie evidence, albeit slight, in the making of the application for registration in the first place, *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 at 401. Where this is supported by actual use soon after filing, I think the opponent has clearly, in a practical way, met the obligation that is put upon it, now, to rebut the allegation about lack of intention to use.

It is for the opponent, in a non-use opposition under *the Trade Marks Act 1995*, to rebut the allegation. The logic that assists the opponent where use has been shown also has a converse: where no use is shown, and in the lack of any other evidence, the opponent has not met its obligation.

Here, the opponent has not otherwise attempted to address the issue in any way at all in its evidence. Accordingly, I find that the application for registration was not filed with the requisite intention to use except in relation to ties.

Conclusion

I find that the trade mark was used in respect of "ties", and that the application was filed with such an intention.

The ground relied on by the removal applicant under s 92(4)a has otherwise been made out and the application is properly made. I see no reason, in the lack of any argument, why the trade mark should not be removed for goods where use has not been shown.

I therefore direct that, as provided for under s 101(1) and subject to any appeal from this decision, the goods covered by the registration be restricted to "ties". Since both sides have thus had a significant degree of success in the matter, I make no award of costs.

T.E. Williams

18 February 1999