



**TRADE MARKS ACT 1995**  
**DECISION OF A DELEGATE OF THE REGISTRAR OF**  
**TRADE MARKS, WITH REASONS**

Re: Opposition by Takata Corporation to the registration of trade mark application number 657435 in the name of Britax Child-Care Products Pty Ltd.

**Background:**

After examination, trade mark application 657435 was advertised by the Trade Marks Office as having been accepted for registration. The applicant is Britax Child-Care Products Pty Ltd, which I will refer to simply as “Britax” from this point.

Britax is proposing to register the trade mark GUARDIAN in class 12 in respect of "motor vehicle safety restraint apparatus and equipment included in this class including child restraints, harnesses, seat belts, seat belt and harness fittings, booster seats, safety seats and safety bassinets, prams, baby carriages, pushers and strollers included in this class, and accessories for prams, baby carriages, pushers and strollers included in this class".

Registration of the application is opposed by Takata Corporation (“Takata”) on what is now a single ground, that Britax is not the owner of the mark. This is an allowable ground under s 58.

The opposition process has followed the course set out in the regulations. Both sides served evidence to support their positions and the opposition came on for hearing and decision by me, as a delegate of the Registrar of Trade Marks.

At the hearing, Britax was represented by its patent attorney, Craig Vinall of the attorney firm of Madderns. The opponent was represented by Malcolm Bell, a patent attorney of the attorney firm of Phillips Ormonde and Fitzpatrick.

Takata was formerly the registered proprietor of a GUARDIAN trade mark identical to the present one. It was registered for "vehicle safety seats for infants and children". That registration was removed, despite protest by Takata, at the behest of the present applicant. The registration was removed, under the provisions of s 23 of the *Trade Marks Act 1955*, on the ground that the trade

mark was not used by Takata for the defined three year period. Takata elected not to use the provisions of the Trade Marks Regulations to formally oppose removal but it nonetheless contested that action. It was heard on the proposed exercise of the Registrar's discretion against its interests. All of the circumstances of that process are set down in the Hearing Officer's decision *Re Takata Kogyo Co Ltd* 36 IPR 151.

### **Opponent's arguments**

According to Mr Bell, Britax in the present proceeding has now been able to gain acceptance of its application only because, through an administrative process, the registration formerly owned by Takata has been removed. However, this administrative action does not, in Mr Bell's view, make anyone but Takata the proprietor under common law or allow anyone but Takata to make such a claim.

Mr Bell argued, in short, that Takata was still the true proprietor under the act. Its claim could only be impugned by prior use, he said. Given the chronology of events, Takata was proprietor long before Britax filed the present application, even though, after the present application was filed, but before it was accepted, the registration owned by Takata had been removed for non-use. That conclusion must apply, he said, unless there is some positive evidence that Takata has abandoned its mark.

That, he said, was not so. The evidence showed that, world-wide, Takata was a user of the mark, which it has widely registered. Globally, the company has an intention to use the mark while in Australia it had contested the attack on its former registration, opposed the present application and filed its own application for registration. I agree with Mr Bell on that point: the evidence is far short of anything showing actual abandonment of the mark in Australia.

Mr Bell noted that his contention, that there is an ongoing right to ownership, was consistent with several provisions of the Trade Marks Act itself. Firstly, where a trade mark registration ceases to have effect for lack of renewal fees, there is a twelve month "grace period". After the end of the grace period, the registration is removed - see sections 77 and 78. Any conflicting application filed within that twelve month window remains blocked - in Mr Bell's view, permanently blocked - by the terms of s 80. I will deal with that submission in its own right in some detail below. It would, if it were correct, have major implications but, for reasons which I will set out, there is no permanent blockage.

Secondly, Mr Bell reminded me that removal under former s 23 does not back-date. A registration is removed only when, at the end of the opposition process, the action of removing it is completed by an officer at the Trade Marks Office. Takata's former registration was in full force until that time.

Removal for non-use is not equivalent to a finding that the trade mark had been invalidly registered, as Mr Bell noted. Therefore, he argued that the proprietorship established when Takata was registered as the owner of the trade mark GUARDIAN should live on until, at the very least, the time the trade mark is removed.

If that thinking applies in the present case then Takata remained the proprietor until the removal of its registration in January 1997, and arguably beyond that date. According to Mr Bell, that precludes anyone else, such as Britax, asserting that it was the owner of that mark for those goods on 4 April 1995, the date on which the present application was filed.

### **Decision**

I see no need to draw out this matter any further by repeating Mr Vinall's counter-arguments on the proprietorship question. I reject the opponent's arguments on that issue. My reasons for my decision are as follows.

The holder of a trade mark registration becomes a *registered proprietor* of a trade mark - or the *registered owner*, to use the language of the 1995 act. (The difference in terminology is immaterial - see the Readers Guide to the 1995 legislation on that point.) However, becoming a registered owner does not make the registered owner the owner of anything but a trade mark registration. True ownership is something which is determined, in the marketplace, by the actions of the parties. It is user, in the marketplace, that determines who the true owner is. A trade mark registration existing in the name of someone who is not the true owner may sometimes be at risk - as happened in *Riv-Oland Marble Co (Vic) Pty Ltd v Settef SpA* (1988) 12 IPR 321, for example, where a small amount of original use, brought to light years after the event, collapsed a registration in the name of somebody else.

The making of an application for registration is no more than the assertion of property rights in a mark which may be unused. That assertion may, subject to examination and in the absence of opposition, culminate in a registration, and this will "confer on a registered proprietor for the time being a species of property in a trade mark". (See the obiter but apposite remarks of Brennan J in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385.)

The situation is clear from *Shell v Rohm and Haas* (1949) 78 CLR 601, to which Mr Bell referred. As a species of property, a registered trade mark is a limited one. If the registration is removed then, assuming that there is no impediment to registration in the Trade Marks Act itself, any later claim by another party can be tested only against the real-world property rights established by actual user.

My analysis, below, is not new. I quote now from what I said in *Ocean Spray Cranberries Inc v Sunraysia Natural Beverage Company Pty Ltd*, 36 IPR 663. There, I said:

In *Shell v Rohm and Haas*, supra, Dixon J said at p 629:

... the legislation ascribes proprietorship to trade marks when application to register them is made notwithstanding that the proprietor's right cannot rest on any prior user because hitherto the marks have not been employed...

It is true that, in the oft quoted passage at page 627, Dixon J says:

It is clear enough from the course of legislation and of decision that an application to register a trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connexion with the goods and the applying for registration.

What he refers to there is a claim to proprietorship, and consequently a claim to being registered as a registered proprietor under the Trade Marks Act. A claim to proprietorship is a claim to registration, but nothing more than this. It carries with it an assertion that a property right exists under the act. Dixon J surely does not suggest that a new property right has been created under common law by the making of an application.

McTiernan J makes the same point at p 631. He refers to the effect of the provisions giving an applicant an inchoate title to the trade mark and an inchoate right to its use: The word inchoate means, per the *Macquarie Dictionary*: 1. just begun; incipient. 2. immature; rudimentary. 3. lacking organisation; unformed. McTiernan continues: (emphasis added) "...the title and right would cease if registration were refused, but if granted the title and right would be confirmed **and endure for the term of the registration.**"

Similarly, Latham CJ notes, at page 619 of the same case, that "There are no provisions in the Commonwealth Act making registration or application for registration the equivalent to user of a trade mark". This is a point in contrast with section 19 of the law of the United Kingdom - see p 628, and Dixon J's reference to the U.K. legislation and law.

Latham CJ continued, noting that marks could be registered, even if unused. "When and if he obtains registration, he acquires rights which date back to the date of his application (s. 47) but until he obtains registration he is, if he has not already used his trade mark and

thereby acquired rights, in the same position with respect to the mark as any other member of the public. But it is the granting of registration, and not the making of the application, which gives him for the first time a right to the exclusive use of the previously unused mark.”

Mr Bell argued the contrary: that proprietorship in Australia could hinge on either a minimal amount of use or on the making of an application under the Trade Marks Act. He referred me to my own decision in *Untell Pty Ltd v Manenti Holdings Pty Ltd* 23 IPR 641. I said in that case: "a valid claim to proprietorship of an unused mark can be based on the intention to use it and the making of an application". There, I meant "unused by anyone". However, assuming that the mark is in fact unused, all that such a valid claim to proprietorship can result in is that the applicant becomes a registered proprietor. Its rights do not exist separately or outside the Trade Marks Act. The fact that such a claim results in a registration does not permanently preclude others from claiming to be the proprietor and applying to become a registered proprietor.

In summary, I do not agree with Mr Bell's argument that the right which thus arises has any existence outside the terms of the registration. It certainly does not carry with it the automatic authority to defeat any other application on ground of prior ownership.

My view is also consistent with the Registrar's practice under s 72 of the former act, and under s 80 of the current one. Those sections deal with the examination of later applications in the face of an unrenewed registration. Section 80 of the current act reads:

#### **Status of unrenewed trade mark**

##### **80. If:**

- (a) the registration of a trade mark (*unrenewed trade mark*) has not been renewed; and
- (b) within 12 months after the registration expired, an application for the registration of a trade mark is made by a person other than the person who was registered as the owner of the unrenewed trade mark; the unrenewed trade mark is taken to be a registered trade mark for the purposes of the application.

This section provides that a trade mark, the registration of which "ceases to have effect when it expires" (section 78) will none the less be deemed to be registered for the purposes of examination. The existence of such a section does not support the existence of the sort of undying claim for which the opponent argued. If the grant of a registration gave perpetual proprietorship to the original registrant, to the permanent exclusion of all others even when the registration ceased to have effect, there would simply be no need for a like para 80(b).

As to the effect of removal of the offending prior registration on grounds of non-use, some of the facts in this case are similar to *Roll International Corporation v Teleflora (Australia) Inc*, 40 IPR 318. There, I concluded that the removal of a registration under the non-use provisions of the 1995

act acted to clear the way for registration of a later application. I do not see that it matters particularly that the opposition in that case was decided under the older legislation, which still applied to the opposed application because of the transitional provisions of the newly-commenced 1995 act. I said, in that case:

While it is settled law that the rights of the parties are to be assessed and balanced at the date the disputed applications were made, the decision with which I am concerned will turn, as I explain below, on section 33. That section is written in the present tense. It specifies when a trade mark "is" not capable of registration. Under s 33, the decision is best made on the state of the register at the time the opposition is to be decided.

I therefore concluded: "Registration of a later application can then proceed without regard to the formerly conflicting registration."

Mr Bell's additional point about the date of effect of the actual removal of the mark from the register has not been so fully argued before. Without going to the relevant provision, it is sufficient to say that Mr Bell is correct, but only to a limited degree. The conflicting mark remains on the register until it is removed. Depending on the circumstances, that may be a considerable time after removal was sought. However, it does not change the present situation.

I have already said that the existence of a registration in the name of Takata does not bestow ownership under common law and that it follows from this that the current application was not fatally flawed when it was made. This is so, even though, at that time, Takata had a registration which might have precluded the grant of another registration to the present applicant. I say "might", because the provisions of s 44(3) and (4) do allow, under some circumstances, registrations of identical and otherwise conflicting trade marks. Once Takata's former registration was removed, however, it ceased to be an impediment.

I have already said that the single ground relied on by the opponent has not been established. Therefore, as provided under s 55, I decide, as a delegate of the Registrar of Trade Marks, to register the trade mark. I also award costs, in accord with the official scale, to Britax.

T. Williams  
Hearing Officer  
27 January 1999.