



TRADE MARKS ACT 1995

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

Objection by CROWN & ANDREWS PTY LTD to Application by ALL AMERICAN FREMANTLE INTERNATIONAL INC for Extension of Time for Filing Notice of Opposition to Trade Mark Application No 707645

Background

Trade mark application 707645 in the name of Crown & Andrews Pty Ltd (Crown & Andrews) was advertised as accepted on 23 January 1997. The time within which a person might file a notice of opposition to the registration of the trade mark pursuant to s52(2) of the Act and reg 5.1 of the Regulations therefore expired on 23 April 1997. On 2 May 1997 an application for an extension of time of two months for filing a notice of opposition was made by All American Fremantle International Inc (AMFI). The application was made pursuant to the provisions of reg 5.2 and nominated the following grounds:

1. Circumstances beyond the control of the person applying for the extension of time; and
2. The undertaking of genuine research to decide whether opposition is justified and/or to determine the grounds of opposition.

The application was accompanied by a declaration of Spiros Pappas of Chrysiliou Moore Martin, patent and trade mark attorneys, in which Mr Pappas stated that his firm acted for AMFI which had filed a later application for the same trade mark as that of Crown & Andrews. On 22 April 1997

the examiner's first report on AMFI's application, raising an objection based on the earlier application by Crown & Andrews, was received by Chrysiliou Moore Martin and was then processed internally before being passed to the attorney having the direct responsibility for the prosecution of AMFI's application. That procedure, he said, normally took a few days. On 29 April his firm forwarded a letter by facsimile to AMFI bringing the acceptance of application 707645 to its attention. By then the last day for filing notice of opposition to the application had passed. On 2 May Chrysiliou Moore Martin received instructions from AMFI to apply for an extension of time for filing notice of opposition which was promptly done.

By letter dated 14 May 1997 Chrysiliou Moore Martin were notified by a senior examiner that the second ground set out in their application for extension was not available in the case of a late application by virtue of reg 5.2(3). She also stated that she could not accept that the mere coincidence of an examiner's report being received by the relevant person just as the opposition period expired constituted circumstances beyond the control of that person. The trade marks database could be searched for similar marks before the filing of an application and acceptances were advertised in the *Official Journal* so as to enable interested persons to file notice of opposition in good time. She stated further that there was no intention to file notice of opposition, or to extend the time for doing so, during the prescribed opposition period.

On 16 May 1997 Mr Pappas applied to amend the application for extension of time pursuant to s66 of the Act by adding a third ground, namely:

3. An error or omission by the person applying for the extension of time, or by the person's agent.

In the accompanying declaration he stated that:

3. My Firm did not conduct a search of the Trade Marks Office data-base on behalf of All American Fremantle before application No. 721471 was filed.
4. As my Firm did not conduct the search referred to in paragraph 3 above, my Firm was not aware of application No. 707645. Consequently, the date of acceptance of application No. 707645 was not monitored by my Firm on behalf of All American Fremantle

He submitted that the failure to conduct a search was an omission in terms of reg 5.2(2)(a).

These further submissions were forwarded to the attorneys for Crown & Andrews for comment. In the meantime Chrysiliou Moore Martin had indicated that they wished to be heard on the matter.

On 13 June 1997 Mr Wayne Willis of F B Rice, patent attorneys, responded on behalf of Crown & Andrews. With respect to the amendment of the application for extension of time he submitted that if an applicant had *intended* to plead a certain ground but had not, and only became aware of the fact after the filing of the extension, it would be fair and reasonable in such circumstances for the Registrar to permit an amendment. But he submitted that it was not fair and reasonable to permit an amendment where the need for the amendment only arose as a result of a conclusion or a ruling or a comment made by the Registrar. It was clear, he said, that the applicant for extension of time in this case only came to the conclusion that the ground of “error or omission” was relevant after the Registrar proposed to refuse the application on the ground that the circumstances pleaded were not beyond the control of the applicant because the applicant could have become aware of the existence of the application of Crown & Andrews before the end of the opposition period by conducting a search.

On the question of the ground sought to be added by the proposed amendment, Mr Willis said that it was his understanding that although the words “error or omission” did not appear in the declaration of Mr Pappas the applicant relied on the failure to search the Trade Marks records prior to the filing of AMFI’s application for registration as an error or omission. In that regard he submitted that he could not possibly agree that Chrysiliou Moore Martin had made any material error or omission or had acted in any way below a proper standard of professional competence that would be assumed for a qualified and experienced attorney. If what Mr Pappas had indicated were taken to be correct the conclusion would follow that an attorney would fall into error every time a trade mark application was filed without a prior search having been conducted. He said that he was not prepared to accept such a proposition under any circumstances. If Chrysiliou Moore Martin had been instructed to conduct a prior search and did not do so, he said, that would clearly be an error or omission. It was not, however, an error or omission on the part of an agent to act in accordance with instructions.

Mr Willis went on to argue that it was not usual to conduct a prior search simply to determine whether or not an unused trade mark was registrable because that was something that could be determined during the course of examination. Generally, it would only be of importance to conduct a search before a trade mark was used and failure by an attorney to recommend a search before an unregistered trade mark was used would be negligent because of the risk of infringement.

If the applicant for the extension of time continued to rely on “circumstances beyond the control” of that person then Mr Willis submitted that it was an unacceptable proposition that a person could obtain a late extension to file notice of opposition after the opposition period had expired but before the mark was registered on the ground that he or she was unaware of the existence of the trade mark application and that that constituted circumstances beyond his or her control.

Decision

There are two matters that require my decision: whether the application to amend the application for extension of time is allowable, and, if so, whether the failure to file the notice of opposition is allowable on any one or more of the grounds as amended. I will deal with each of those questions in turn.

AMENDMENT OF THE APPLICATION FOR EXTENSION OF TIME TO FILE NOTICE OF OPPOSITION

Section 66 of the Act provides:

Amendment of other documents

66. The Registrar may, at the written request of the person who has filed an application (other than an application for the registration of a trade mark), a notice or other document for the purposes of this Act or at the written request of the person's agent, amend the application, notice or document:

- (a) to correct a clerical error or an obvious mistake; or
- (b) if the Registrar is of the opinion that it is fair and reasonable in all the circumstances of the case to do so.

Paragraph (a) is clearly not applicable; therefore I can only permit the amendment if I am satisfied that it is fair and reasonable in all of the circumstances of the case to do so. I am of the same

opinion as Mr Willis that in the circumstances of this case it is not fair and reasonable to permit an applicant for extension of time to add a new ground for the extension when it turns out that one of the nominated grounds is simply not available under the Regulations and it appears that the Registrar is not prepared to consider the other. I also agree that if a ground had been omitted by mistake, that is, if there had been an intention to include the ground and it had been omitted in error the decision would be likely to be different depending on the circumstances. No reason was given for the application to amend, but it is a safe inference, I think, that it was prompted by the senior examiner's letter of 14 May 1997. Mr Pappas responded on 16 May with the application to amend and observed that:

We note that you have rejected our extension request and in effect put forward the position that, had the prospective opponent searched the Trade Marks Office database prior to filing and monitored the Official Journal for the date of acceptance of application No. 707645, then an opposition to the application could have been filed within the period of opposition.

He then went on to apply for the extension of time citing error or omission by the person applying for the extension of time, or by the person's agent, which is the ground set out in reg 5.2(2)(b). In those circumstances I am not satisfied that it is fair and reasonable to permit the amendment sought. Clearly there was no intention to include the specified ground at the time the application for extension of time was applied for and it was only when it was suggested that perhaps a failure to conduct a search prior to filing might have been considered an error or omission that the amendment of the grounds of the application was sought.

ERROR OR OMISSION

The provisions of the Regulations dealing with extension of time for filing notice of opposition are, in their entirety:

Extension of time for filing—grounds

5.2 (1) A person may apply to the Registrar for an extension of time in which to file a notice of opposition.

(2) An application for an extension of time may be made within the period for filing a notice of opposition referred to in regulation 5.1 on 1, or more than 1, of the following grounds and on no other ground:

- (a) an error or omission by a trade marks officer;
- (b) an error or omission by the person applying for the extension of time, or by the person's agent;
- (c) circumstances beyond the control of the person applying for the extension of time;
- (d) the conduct of genuine negotiations between that person and the applicant for registration;
- (e) the undertaking of genuine research to decide:
 - (i) whether opposition is justified; or
 - (ii) on the grounds of opposition.

(3) If the period for filing a notice of opposition has ended, an application for extension of time may be made at any time before the trade mark is registered on 1, or more than 1, of the grounds set out in paragraph (2)(a), (b) or (c) and on no other ground.

(4) If an application for extension of time is made after the period for filing a notice of opposition has ended, the Registrar *must not* grant the extension unless the Registrar is reasonably satisfied that there is sufficient reason for the application not being made before the end of that period. (Emphasis added).

If I am wrong in the above conclusion on the application to amend the application for extension of time I nevertheless do not regard the failure to conduct a search of, or a failure to keep a watch on the acceptance of, potentially conflicting trade marks as an error or omission.

The concept of "error or omission" on the part of an applicant or its agent appears for the first time in Australian trade marks legislation in the 1995 Act. It has a long history, however, in patents legislation and its meaning has been refined by a series of decisions of the courts and the Commissioner. The words "error or omission" in reg 5.2(2)(b) must, I think, be given the same meaning as in s224(2) of the Act which is the equivalent of s223(2) of the *Patents Act 1990*, the successor to s160(2) of the *Patents Act 1952*. The decided cases under the latter provisions are therefore directly in point in determining the meaning of the same words in the Act. In *Biosys v Ecogen Australia Pty Ltd* 26 IPR 668, for example, which dealt with reg 5.9(1)(a) of the Patents Regulations, an application for amendment to the grounds of opposition, the delegate of the Commissioner held that:

The term “error or omission” has been considered many times in decisions concerning s223 (and its equivalent, s160 of the *Patents Act 1952* (Cth)). I consider that it would be inappropriate to give a different meaning to the term “error or omission” when used in reg 5.9(1)(a)...Thus, it is apt to apply the following formulation: “an error or omission has been considered to have occurred where there has been a breakdown in procedure in effecting a party’s intention”: *Stork Pompen BV v Weir Pumps Ltd* (1988) 11 IPR 542 at 546; this point was not overturned in the decision of the AAT reported at 13 IPR 163. As a consequence, the intention of the party with respect to doing some act is an essential preliminary to the demonstration of an error or omission. I think that the letter from the opposition clerk expressed the situation accurately when it said “the matter of whether or not there has been an error or omission should be assessed by having regard to the actions and intentions of the opponent on or before the date of filing the statement of grounds and particulars”.

In the *Weir Pumps* case, supra, the applicant for a late extension of time to file notice of opposition relied on the ground that “ we had omitted to instruct any search or watch in relation to patent applications in the field”, that is, they relied on a deliberate decision not to instruct their attorneys to conduct a search or to keep a watch on potentially conflicting applications in the field of interest to them as an error or omission. They subsequently became aware of the acceptance of such an application after the opposition period had passed. The delegate of the Registrar said, at 546:

A review of recent sub-s160(2)(a) [ie of the *Patents Act 1952*] extension decisions including those mentioned by Mr Hinde indicates that an error or omission has been considered to have occurred where there has been a breakdown in procedure in effecting a party’s intention in respect of an invention or application (eg in respect of making an application pursuant to s141, [Convention applications] in prosecuting an application to acceptance or in lodging a notice of opposition). Such cases indicate that having decided a course of action in respect of an act or step the performance of which is required within a certain time under the Act, that intention has been frustrated by either an error (eg the act has been done incorrectly, or mistakenly done outside the time allowed) or due to an omission (eg the act has not been done due to neglect or inadvertence). Therefore in my view, it is appropriate to consider in relation to the person’s intention with respect to doing the act or taking the step, and to determine whether any error or omission arose to frustrate that intention....there can be no error or omission in not performing an act which Weir never intended to perform. Weir at no stage before 16 October 1987 [when the opposition period expired] took any steps which would have put it in a position to make a decision on whether it should oppose this application....the failure to instruct a search arose from a deliberate decision of Weir.

An application for review of the delegate's decision was made to the Administrative Appeals Tribunal. The Deputy President of the Tribunal affirmed the decision of the delegate 13 IPR 163, holding that:

...it is due to a deliberate policy of Weir that it did not maintain a watch for pending patent applications or for their acceptance. I do not regard Weir's actions as falling within the phrase "error or omission on the part of the person concerned" nor as involving "circumstances beyond the control of the person concerned".

In his decision he also observed, at 166:

It appears to me that it would also cause a serious upset to the patent system to permit persons who have not sought to oppose, to intervene after advertisement of acceptance to say that although they had a policy of not checking on applications, they now wish to oppose. Loss of opportunity to oppose is not disastrous. A patent when granted is often not worth the paper it is written on until tested judicially, in revocation proceedings in a court of competent jurisdiction. That opportunity remains open to Weir.

In *Kimberly-Clark v Commissioner of Patents (No 3)* 13 IPR 569 it was strongly submitted by counsel for the Commissioner that unless the words "error or omission" were limited by construction to that which was unintended or which had been produced by accident or inadvertence, every failure to do an act or take a step within the time prescribed by the Act, to the causing of which failure some mental process contributed which the Commissioner considered erroneous, would satisfy the condition specified in s160(2)(a). That, they said, would reduce those provisions to the status of a general discretionary power. Jenkinson J rejected that argument. He referred to the second reading speech of the Attorney-General on the Bill which brought about the inclusion of the provisions relating to error or omission on the part of the person concerned or his agent or attorney as circumstances enlivening the power of extension conferred by s160 of the *Patents Act 1952*. The provision had been included because of representations made to the Dean committee, which had recommended certain changes to the Act, that through pressure of business in offices of patent attorneys errors did occur that resulted in acts that ought to be done not being done. The committee therefore recommended that an error or omission on the part of an applicant, or of his agent or attorney be made an additional ground for extending the time for the doing of an act. Section 160 was therefore amended to give effect to that recommendation. His Honour observed that in that context it might be thought that Parliament was concerned with accidental slips which frustrate an

intention formed to do an act or to take a step within the time required, and not with errors or omissions the products of deliberation. His Honour then went on:

But the same amending act of 1960 substituted for the words “an error or action on the part of an officer or person employed in the Patent Office” in s160(1) the words “an error or omission on the part” of such a person. A deliberate choice of the same collocation of words was thus made to designate the aberrations of a person holding office or employment in the Patent Office and “of the person concerned or of his agent or attorney”, by reason whereof a consequence of the same description ensued. It is in my opinion difficult to suppose that only the inadvertences and accidental slips, and not errors resulting from faulty reflection, of the former class of persons were intended by the draftsman to be within s160(1). Further, the word “error” is not easily assigned a clear meaning restricted by reference to one or several particular categories of flawed mental function. The attempt is likely to lead to the drawing of fine and often unrealistic distinctions. And some errors of judgment by agents and attorneys may be as bizarre and as little to be anticipated as lapses of memory and accidental slips. Although the latter kinds of error may be those which the draftsman had principally in mind, I do not think the phrase “error or omission” should be given by construction the restricted meaning which the delegate assigned, and accordingly I conclude that this ground of the application has been established.

I do not think that the conclusion I have reached reduces s160(2)(a) to a mere general power of extension. By no means every judgment by “the person concerned” or by “his agent or attorney” which can be shown to have been mistaken will answer the description “error or omission” in the ordinary meaning of those words, which in their context carry, in my opinion a connotation of obviousness in error.

It appears from this part of Jenkinson J’s judgment that the words “error or omission” should be given their plain, ordinary meaning and are not to be taken as a term of art. They should not be restricted by construction to certain categories of aberration of thought or behaviour such as misunderstanding, ignorance of the law, confusion or deception etc, or to mere inadvertences or accidental slips. Moreover, the error or omission must be obvious.

If it can be shown that there has been an error or omission it must also be shown of course that the error or omission was the cause of the late filing of the extension application. In the *Kimberly-Clark* case Jenkinson J had to consider the words “by reason of” which were the words used in s160 of the 1952 Act. He referred to the words of Beaumont J in *Lyons v Registrar of Trade Marks* (1983) 50 ALR 496 at 509 in relation to the same wording in s131 of the *Trade Marks Act 1955*:

The meaning of the phrase “by reason of” has been considered in a number of authorities. In *Main Electrical Pty Ltd v Civil & Civic Pty Ltd* (1977) 19 SASR 34, Bray CJ said that the phrase implies a relationship of cause and effect but it is a relationship which may be *indirect*: see *The Diamond* [1906] P 282; see also *Vickers v Young* (1982) 43 ALR 389 at 407; In *R v Justices of the Peace at Yarram; Ex parte Arnold* [1964] VR 31, Sholl J held (at 24) that “by reason of” could extend to *consequential matters*. In my opinion, the phrase, where used in s131, *should be given the meaning explained in these cases*. (Emphasis added).

Jenkinson J went on to say that in his opinion it was sufficient to come to the conclusion that some prior error or omission had contributed to cause the failure to lodge the notice even if other circumstances also apparently contributed to the making of the relevant decision. All that was required was that once an error or omission had been established that there was some link between that error or omission and the failure to lodge the notice of opposition within three months. Although the words now used in s223 of the *Patents Act 1990* and s224 of the *Trade Marks Act 1995* are “because of” I do not think they make any material difference to the application of the decided cases on the earlier provisions on error or omission.

Jenkinson J also held that the failure to do an act or to take a step was not of itself an “error or omission”:

Mr Handley submitted that the failure to do the act or to take the step postulated in respect of an application for exercise of the power conferred by s160(2)(a) cannot itself be the “error or omission” by reason whereof the failure occurred. I accept that.

Likewise, in *Toyo Seikan Kaisha Ltd v Nordson Corporation* 5 IPR 388 the delegate of the Commissioner held that the plain meaning of s160(2) of the *Patents Act 1952* required the establishment of some error or omission antecedent to the failure to perform the act or step; the “error or omission” must be the cause of the failure to perform the act or step in good time. The failure to lodge notice of opposition in time cannot of itself be treated as the “error or omission” for the purposes of s160(2); see also the decision of the delegate of the Registrar in *Stadium Australia Limited v Stadium Sports Franchising Pty Ltd* (unreported).

The *Toyo* case, supra, was cited with approval by Pincus J in *Danby Pty Ltd v Commissioner of Patents & Anor* 12 IPR 151 in which it was held that to satisfy the requirement of “error or omission” it is enough to show that the person desiring to oppose the grant of a patent had given appropriate instructions to that end, and that by an error of some kind such instructions were not carried out. His Honour also considered the argument that there was no certainty that an appropriate search or watch would have revealed the existence of the application belatedly sought to be opposed or that another error might have supervened. He observed, at 157:

It is true that there was no evidence proving that, if a watch had been kept on behalf of the second respondent it would necessarily, or even probably, have picked up the advertisement. Then, if a watch had been kept and had picked up the advertisement, perhaps another error would have been made, resulting in failure, after all, to lodge notice of opposition in time.

Putting that more generally, if there had not been an error on the part of Schmidt or Thomas in arranging for the conduct of a watch of the Journal, there may well have been a later error defeating Menzel’s intention of opposing the grant. Had there been such a later error, it would itself have given jurisdiction under s160(2) to extend time.

In that case instructions to oppose were firmly given but, through an error, not carried out.

The evidence in the present case is that AMFI’s agents were not aware of the existence of the application which they now seek to oppose because they did not conduct a search of the trade marks database before filing AMFI’s own application or that they did not keep a watch on the acceptances of trade marks of interest to their client AMFI. There is no evidence as to why neither of those two things was done, whether it was as the result of a deliberate policy of AMFI, as in the *Weir Pumps* case, or of a deliberate policy of Chrysiliou Moore Martin, whether instructions were given to do either one or the other act which were not carried out, or whether no instructions were given one way or the other. In this regard Jenkinson J also referred in the *Kimberly-Clark* case to *Vangedal-Nielsen v Commissioner of Patents* (1980) 33 ALR 144 at 150 with regard to the matter of making out a proper case justifying an extension referred to by Bowen CJ in that case. Jenkinson J held that an applicant for extension of time would in his opinion have to go beyond a disclosure of the processes by which an agent’s errors came to be committed, and would have to expose frankly, inter alia, all the conduct, knowledge, beliefs and mental processes of the applicant (or, in the case of a corporation of the relevant officers and other agents) relevant to an

understanding of the way the failure to do the act or take the step occurred, or relevant to an evaluation of the reasonableness of that conduct. In adopting those words I do not wish to be taken as criticising the conduct of any person in the firm of Chrysiliou Moore Martin. I simply observe that the evidence before me does not enable me to be reasonably satisfied that there is sufficient reason for the application not being made before the end of the prescribed period and that in those circumstances, in accordance with reg 5.4(4), I could not grant the extension sought even if the application were amended to admit the ground of error or admission. Nor am I concerned with questions of professional competence, as submitted by Mr Willis. In the absence of evidence to the contrary I consider that I must adopt the reasoning in the *Weir Pumps* case and that of the Federal Court in *Kimberly-Clark and Danby v Commissioner*, all supra. The effect of those decisions is that the person applying for the extension of time must have formed the intention to oppose the application on or before the expiry of the prescribed period and that that intention must have somehow been thwarted or frustrated by an error or omission. That was not the case in the present circumstances in which no person either within AMFI or in the offices of its agents had formed such an intention until after the time for filing notice of opposition had passed. There was therefore no relevant error or omission to file the notice in that time. The mere failure to file the notice on time is not in itself an error or omission and the failure to conduct a search of the relevant records or to keep a watch on the *Journal* is not in itself to be considered as an error or omission.

Conclusion

For the reasons given above I have decided as follows:

- that the application of 16 May 1997 to amend the application for extension of time for filing notice of opposition so as to include the further ground of error or omission on the part of the person applying for such extension or his or her agent is not allowable;
- that in any case error or omission on the part of such person has not been made out.

I award costs in the matter of the application for extension of time for filing notice of opposition to the trade mark applicant Crown & Andrews Pty Ltd.

Michael Homann
Hearing Officer

18 July 1997