



## TRADE MARKS ACT 1995

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

Re: Opposition by Enviro Harvesting Systems Australia Pty Ltd to the registration of trade mark application number 723668 in the name of Garasill Pty Ltd for the trade mark **ENVIRO HARVESTER** in Class 7.

#### **Background**

Trade mark application number 723668 was filed on 11 December 1996 in the name of Garasill Pty Ltd (Garasill). That application was for the registration of the word trade mark **ENVIRO HARVESTER** and covered the statement of goods, "Fruit and nut harvester which cleans, dehusks and collects", in Class 7. Subsequent to examination, the trade mark was advertised as accepted in the *Australian Official Journal of Trade Marks* of 5 June 1997.

A notice of opposition to the trade mark's registration was filed by Enviro Harvesting Systems Australia Pty Ltd (Enviro Harvesting Systems), on 5 September 1997. That notice listed a number of grounds. However, prior to the hearing of the matter, Enviro Harvesting Systems' attorney advised that it would rely primarily on those grounds under ss.41, 58, 59 and 60.

Enviro Harvesting Systems requested that the matter be heard by the Registrar. The matter then came before me, as a delegate of the Registrar, for hearing in Canberra on 29 May 2001. Mr Paul Kildea, Patent Attorney of Canberra, appeared at the hearing on behalf of Enviro Harvesting Systems. He was accompanied by Mr Des Renehan, Enviro Harvesting Systems' Managing Director. Garasill did not appear at the hearing but relied instead upon written submissions from its attorney, Mr Paul Grant of Paul A Grant and Associates, Patent Attorneys.

**The Evidence**

The evidence in support comprises a declaration by Desmond Lawrence Renehan, dated 28 February 1999 (first Renehan declaration); and also a declaration by Warwick Graham, dated 1 March 1999.

The evidence in answer comprises declarations by Robert John Thompson, dated 6 September 1999 (first R. Thompson declaration); Philip John Thompson, dated 5 September 1999 (first P. Thompson declaration); and Erina Marion Thompson, dated 5 September 1999 (first E. Thompson declaration).

The evidence in reply consists of declarations by Desmond Renehan, dated 5 June 2000 (second Renehan declaration); and Ron Delary-Simpson, dated 6 June 2000.

Both parties served further evidence in the matter. Garasill's evidence consisted of declarations by Robert Thompson, dated 25 November 2000 (second R. Thompson declaration); Philip Thompson, dated 28 November 2000 (second P. Thompson declaration); and Erina Thompson, dated 25 November 2000 (second E. Thompson declaration); Thomas Michelsen, dated 26 June 2000; and Paul Ainsworth Grant, dated 21 November 2000.

Enviro Harvesting Systems' further evidence comprised of a declaration by Desmond Renehan, dated 9 March 2001 (third Renehan declaration).

**Submissions and analysis**

I think it is common between the parties that Garasill is a company which was formed purely to manufacture and sell harvesters. Mr Desmond Renehan and Mr Robert Thompson are both Directors and 50% shareholders in the company. Mr Renehan is also the Managing Director and major shareholder of Enviro Harvesting Systems. Mr Renehan is therefore a major player in both Garasill (the applicant) and Enviro Harvesting Systems (the opponent) in this case. It is obvious, from the weight and content of the evidence served, that Messrs Renehan and Thompson have considerable business and personal differences.

Mr Renehan stated at the hearing that, as a joint Director of Garasill, he did not wish the present application for registration to continue or, in fact, to have been filed in the first place. On the other hand, Mr Thompson, at para 22 of the first R. Thompson declaration, said that, "...my only interest in the Mark following the filing of this Opposition has been fulfilling my legal responsibility as a Director of Garasill and preserving my good name." Additionally, he declared, at para 3 of the second R. Thompson declaration, "Furthermore, as I have repeatedly stated in earlier declarations and in letters to the Office and to Des Renehan (through my patent attorney), neither Garasill nor RPR [RP Rural Engineering Pty Ltd - Mr Thompson's own company] has any interest in the trademark [sic] ENVIRO HARVESTER. All of this begs the question of what authority Mr Thompson, *solus*, has to prosecute the matter on behalf of Garasill - given he has only an equal 50% interest in Garasill Pty Ltd to Mr Renehan. To my mind, it is strange that the application has reached the stage that it has, given that Mr Renehan, the other 50% stake holder in the company, does not want the matter to proceed.

All of the foregoing adds up, in my opinion, to a quite unusual set of circumstances which leads me to the conclusion, as the delegated decision maker here, that this application for registration is fundamentally flawed and that it should not proceed on that basis alone.

However, if I am wrong in this, I will continue with the discussion as it relates to all of the grounds relied upon at the hearing.

### ***Section 41(2)***

This part of s.41 section reads:

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered from the goods or services of other persons.

Enviro Harvesting Systems has asserted that the present trade mark is not capable of distinguishing Garasill's goods from those of others. This is presumably because the mark was first used by the former company and Mr Renehan on the harvester he invented. However, I cannot agree that the mark is incapable of distinguishing under this section of the Act. This is because s.41 defines the basic tests for the mark to be registered by the *applicant*, and makes no reference to marks which might have been

used by other persons, which may be in conflict with the applicant's mark. Enviro Harvesting Systems has done nothing here to show that the subject mark is not inherently adapted, *per se*, to distinguish Garasill's goods.

Accordingly, I dismiss the ground of opposition based on s.41.

### **Section 58**

This section reads:

**58.** The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

The term "owner" in the *Trade Marks Act 1995* equates to that of "proprietor", as referred to in the *Trade Marks Act 1955* - see p.2 of the *Readers Guide* to the 1995 Act. The initial onus, with respect to ownership, is on the applicant for registration. As is stated in s.27 of the Act:

**27.(1)** A person may apply for the registration of a trade mark in respect of goods and/or services if:

- (a) the person claims to be the owner of the trade mark; and
- (b) one of the following applies:
  - (i) the person is using or intends to use the trade mark in relation to the goods and/or services;
  - (ii) the person has authorised or intends to authorise another person to use the trade mark in relation to the goods and/or services;
  - (iii) the person intends to assign the trade mark to a body corporate that is about to be constituted with a view to the use by the body corporate of the trade mark in relation to the goods and/or services.

The dispute of a claim to ownership of a mark can only proceed to be considered where the opponent can also show that the word or words it relies upon as being owned by itself or another person is substantially identical with the mark, the subject of the application for registration. As Gummow J. said in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd.* (1994) AIPC 91-049 at 38,114, when referring to the concept of proprietorship in the *Trade Marks Act 1955*, and to *Shell Co. (Aust.) Ltd v Rohm and Haas*, *supra*:

[*Shell v Rohm and Haas*] does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical" was discussed by Windeyer J. in *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1961-1963) 109 CLR 407 at 414.

The basis of a claim to proprietorship (read ownership) of a trade mark was explained by McGarvie J, who said in *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402 at 413:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: *Re Registered Trade Mark "Yanx"*; *Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 203; *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 at 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* 59 ALJR 77 at 83.

...

In considering who, within s.40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: *The Shell Co of Australia Ltd v Rohm & Haas* (1949) 78 CLR 601 at 625 and 627.

In other words, the first user of the mark in Australia (for the relevant goods and prior to the date of application) becomes the owner at common law. That ownership, however, is limited to "the same kind of thing", as per Holroyd J in *Hicks' Trade Mark* (1897) 22 VLR 636. Any small amount of use will suffice, but the effect of the act relied on to constitute use must be the creation, in the minds of those concerned, of an impression that the services of a particular trader are being offered for sale, in Australia, under the trade mark.

Here, the mark claimed to have first been used by Mr Renehan's company and the subject of this application are one and the same - as are the goods. The question for resolution here, then, is who used the trade mark first and who can accordingly claim to be the owner at common law.

It is unclear, from the evidence, whether Garasill *itself* used the trade mark prior to filing of this application. Certainly, any use by Garasill could only have taken place since its incorporation on 24 June 1996. Mr Thompson, in para 2 of the first R. Thompson declaration, has claimed joint use by himself and Mr Renehan "on a handshake basis" since as early as April 1994. However, he also declares in para 3 that Mr Renehan brought "his rights to the ENVIRO HARVESTER name", *inter alia*, with him to the joint venture - Garasill. This statement was echoed by Mr Grant in his written submissions. On his part, Mr Renehan declared that he devised the name ENVIRO HARVESTER in mid 1990. He then describes various activities by his own

company, Enviro Harvesting Systems which he says were designed to further the manufacture and sale of harvesters under the mark.

Given all of this, I think it is the case that the parties agree that Mr Renehan was the author of the trade mark - albeit unregistered - before his association with Garasill. Where the protagonists diverge is whether Mr Renehan relinquished that common law ownership to Garasill during the General Meetings of the company in July and December 1996. Both Mr Renehan and Mr Robert Thompson give differing accounts of what was intended by various resolutions recorded in the Minutes of these meetings. Mr Thompson's account is supported by the Minute taker at the meeting, Mrs Erina Thompson - his daughter-in-law, and the Company Secretary of Garasill, Mr Philip Thompson - his son. I do not doubt the honesty of the account of events from the two latter members of the Thompson family. However, I must accord lesser weight to their versions of what they recall was intended by Mr Renehan's various statements, because of their familial association with Mr Robert Thompson. This is because they might be unintentionally swayed, in their inferences of the discussion at the company meetings, by Mr Robert Thompson's perceptions of events.

The disputed accounts are recorded as:

*In the July 1996 Minutes*

**Topic:** "Registration of Logo and Name"

**Discussion:** " (blank).."

**Action:** "Register logo incorporating the name 'Enviro Harvesting System Australia' (sic)".

**Person responsible:** RT/ET.

*In the December 1996 Minutes*

**Discussion of Minutes of Previous Meeting:** (*inter alia*) Logo - registration in progress - attended to by D. Renehan.

**Topic:** "Discussion and Approval of Name of Machine Enviro Harvester..."

**Discussion:** "Discussed in much detail. The name to be registered for the machine will be: Enviro Harvester Manufactured by Garasill Pty Ltd *under licence to patentee D. Renehan.*" (my emphasis)

**Action:** "To be registered with the appropriate body."

**Person responsible:** "Rob Thompson."

Mr Renehan has disputed both versions, saying that in his handwritten record of events, he wrote, regarding the July meeting, "D. Renehan to register name", while in December, "Refused outright register to Garasill (sic)". Clearly, his belief is that the mark was to remain in his possession, while Mr Thompson has said that he believes that it was Garasill which was to be recognised as the owner of the trade mark. Whatever was the belief of any of the parties, it was not until 11 December 1996 that anyone actually got around to filing an application for the mark's registration with the Trade Marks Office.

In the document entitled, *Object of Garasill Pty Ltd The Company*, it states at "2", "The Company has the right to register and use the name of Enviro Harvester *under licence to the patentee, Desmond L Renehan*". (my emphasis). The emphasised words "*under licence to...*", in both the Minutes of the July and December meetings and in the *Object of Garasill* document, could well be interpreted to mean that this was a recognition of Mr Renehan's retention of the ownership of the mark. In the context of the latter document, that acknowledgment appears, in my opinion, to be quite explicit. Mr Grant, in his written submissions even says that Garasill, "(f)reely admits that the mark was - and still may be - the property of Renehan".

Whichever version is the more accurate recollection of events, the Minutes of the July and December 1996 meetings are, in this respect, highly ambiguous. There are, in the evidence, many claims and counterclaims of misrepresentation, untruths, alteration of documents, forgery, ill-will, intransigence, betrayal and deceit - and this is just in relation to the registration of the trade mark **ENVIRO HARVESTER**. However, there is no convincing evidence in all of this as to who was intended to be nominated as the owner of the mark. There does not appear, on a literal reading of all of the documentation, to be any explicit abandonment by Mr Renehan of his common law ownership rights in the trade mark. This is despite any other inferences which may have been honestly drawn by other parties.

Accordingly, I must find that Mr Renehan is still the owner of the trade mark and that this ground of opposition is successful.

**Section 59**

This section reads:

**59. Applicant not intending to use trade mark**

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

- (a) to use, or authorise the use of, the trade mark in Australia; or
  - (b) 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 specified in the application.

There is considerable confusion as to what could have been Garasill's intention as at the date of opposition. Mr Robert Thompson may well have believed that, at the date of filing, it was Garasill's intention to use the mark applied for. However, s. 59 is clearly in the present tense; it looks at current intention. If this is lacking, then the trade mark has been abandoned, irrespective of the circumstances in which the application may have been filed. At paragraph 22 of his first, Mr Thompson has declared that Garasill is not now using the trade mark and will never again be used by that entity. In his second declaration, he repeats that "...neither Garasill nor RPR has any interest in the trademark (sic) ENVIRO HARVESTER". Mr Renehan, as a 50% stakeholder in Garasill has stated that he never intended that the mark be registered in the name of Garasill. All of this means, in my opinion, that there is considerable doubt that Garasill was intending to use, or to authorise the use of the mark in Australia.

I find, therefore, that this leg of the opposition is successful.

**Section 60****Trade mark similar to trade mark that has acquired a reputation in Australia**

This section reads:

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

There is no change in the law from the *Trade Marks Act 1955* that there is an evidentiary onus on the opponent, in the first instance, to establish the extent of its reputation for its mark in Australia - re Heerey J., when referring to s.28 of that Act, in *Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd* (1997) 38 IPR 495 at 501. Enviro Harvesting Systems would need to establish that its reputation in the mark was sufficient amongst a substantial number of persons, as at the critical date of the filing of the present application - as per *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592, so that deception or confusion was bound to occur amongst a substantial number of people, likely to be concerned in the purchasing of the particular goods, because of the use of Garasill's mark - *The Kendall Company v Mulsyn Paint and Chemicals* (1963) 109 CLR 300.

I think that it is the case here that the evidence shows that Mr Renehan, or various of his companies, made attempts to market harvesters and to raise capital in relation to their development, under the trade mark **ENVIRO HARVESTER** from some time in 1990. Mr Robert Thompson has declared that the mark was used on five harvesters, made to his design, between April 1994 and June 1996 - prior to the incorporation of Garasill. It would seem that any reputation in relation to these must have adhered to Mr Renehan's companies. Mr Thompson also says that, "(s)ince at least 1993, I was well aware that the name ENVIRO HARVESTER was used by Nut Research and/or by Enviro Harvesting as the name of harvesters designed by Des Renehan". From Mr Thompson's first declaration, it would appear that the average cost of these harvesters is around \$150,000. It would also seem that given the cost and function of these machines, the market for them is small and specialised. As I have previously observed, the longest period that Garasill could have used the mark before filing in December 1996, was around five months. Against this is the reputation in the particular niche market, which would have been generated by the use made of the mark by Mr Renehan's companies, Enviro Harvesting Systems and Nut Research.

From this, I can only conclude that use of the trade mark **ENVIRO HARVESTER** by Garasill would be likely to lead to deception or confusion occurring because of the reputation already enjoyed by Mr Renehan's companies.

Accordingly, I find that Enviro Harvesting Systems has succeeded on this leg of its opposition.

**Conclusion**

I have found that this application is fundamentally flawed because Mr Thompson, on behalf of Garasill, appears to have made an application for registration in contravention of the wishes of the other Director of the company. Consequently, it should not proceed on that basis alone.

However, due to the possibility of my being incorrect in my finding above, I have also looked at the grounds relied upon in the notice of opposition. Having done this, I have found that, although the opposition has not been successful on the s.41 ground, it has been successful in relation to the grounds relied on under ss.58, 59 and 60. It follows then that the opposition, as a whole, is successful and I refuse to register the trade mark, the subject of this application.

**Costs**

Both sides made submissions regarding costs in relation to the substantive matter and also to the further evidence which both sides served in the matter.

In relation to the substantive matter, I can see no reason why costs should not follow the cause. I therefore order that Garasill pay Enviro Harvesting Systems' costs there. On application, those costs will be taxed and allowed by an officer of the Trade Marks Office, appointed for that purpose.

On the matter of any costs related to the further evidence which was served by both sides, I believe that much of both sets of this evidence comprises claims and counter-claims related to alleged forgery, perjury, conspiracy, fraud, false declarations, the emotional and physical state of certain parties and where they were at particular times. All of this does not appear to have any direct relevance to the registrability, or not, of the trade mark applied for.

I find therefore, that all of this evidence was extraneous to proceedings. If either party wishes to pursue criminal matters, clear their name following any such charges, or to pursue private arguments, then they should do so in the appropriate forum. This is not before the Registrar.

Accordingly I find that, in relation to the further evidence, each party should bear its own costs.

Ian Forno  
Hearing Officer

29 June 2001