



TRADE MARKS ACT 1995

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

Re: Registrations 723862 and 733673 in the name of Kerry Harris and opposed applications under section 92 for removal for non-use by Heritage Fine Chocolates (Aust) Pty Ltd.

DATE OF DECISION:	October 2004
DELEGATE:	Ian Thompson
REPRESENTATION:	Applicant Stephen Wilson of Griffith Hack
DECISION:	Section 92 – onus on the opponent to establish use of the trade marks – trade marks may have been used by person other than owner but no authorised use shown – circumstances not sufficient for exercise of Registrar’s discretion

Background

1. The details of trade mark registrations 723862 and 733673 are as follows:

Appn Number: 723862
Owner: Kerry Harris (‘the owner’)
Priority Date: 15 December 1996
Goods: **Class: 30** Pies, cakes, pastries, yeast products



Trade Mark:

Appn Number: 733673
Owner: Kerry Harris (‘the owner’)
Priority Date: 5 May 1997
Goods: **Class: 30** Breads, cakes, pastry, pies, fruit cakes, puddings, cookies, biscuits, confectionery products, yeast products, sauces, condiments, spices, honey, treacle and syrups



Trade Mark:

2. For simplicity, I will refer to the above trade marks as ‘the trade marks’.
3. On 2 May 2003, Heritage Fine Chocolates (Aust) Pty Ltd (‘the applicant’) filed applications for the removal of the above trade marks from the Register on the basis of the alleged non-use of the trade marks and stating that it is a person aggrieved by the registrations. On 4 September 2003, the owner opposed the applications for removal – the applicant’s standing as a person aggrieved has not been challenged. Since then, the parties have served and filed evidence in support and evidence in answer of their respective positions.
4. As a delegate of the Registrar of Trade Marks, I heard the applicant's arguments at a hearing in Melbourne on September 2004 – Stephen Wilson of Griffith Hack of Melbourne represented the applicant. The opponent did not appear or put in written submissions.

Evidence

5. The evidence comprises what Mr Harris calls a ‘statement’ and a declaration by Kerry Harris – the former in support of his opposition and the latter in reply to the declaration as evidence in answer by Michael Simons of the applicant. The statement by Mr Harris has obvious problems since it is not in the form of a declaration as required by the regulations to the *Trade Marks Act 1995*. I weight this statement accordingly.
6. The history of the trade marks recounted by Mr Harris is somewhat involved and an understanding of it is complicated by the fact that the relationship between him and

others who may have used the trade marks is not explained, neither is the legal status of these others properly specified by Mr Harris. Further uncertainty is added by lack of an express statement by Mr Harris advising by whom the registered trade marks were used and what his relationship with the user(s) was and whether this use was an authorised use.

7. The supporting documents to Mr Harris's statement which go to alleged use in the relevant period are, in the main, invoices issued by "Goldbank Foods".
8. Mr Harris may be, I understand, resident in Nevada in the United States and is fifty percent shareholder in a company which he identifies as 'Goldbank Foods'¹ which has its registered address in Forrest, Australian Capital Territory. The documents tendered as Mr Harris's evidence show Mr Harris's address as at Dalyell Street, Chisholm, ACT, but have been witnessed by a notary in Nevada. ASIC documents tendered by the applicant² relevant to Goldbank Foods Pty Limited show that Mr Harris gives his address as a director as being in Dalyell St, Chisholm, ACT and as a shareholder (the other shareholder is Norma Margaret Harris) at an address in Couchman Crescent in the same suburb. The chief place of business of Goldbank Foods Pty Limited is given as Dalyell St within that residential suburb.
9. Uncertainty is added by "Goldbank Foods" invoices tendered in evidence by Mr Harris to demonstrate use of the trade marks showing the place of business as being within Kealman Rd, Queanbeyan, NSW.
10. The relationship between either Mr Harris or Goldbank Foods (or Goldbank Foods Pty Limited) and Goldbank International of Las Vegas, Nevada, which appears at the head of another invoice, is not explained.

¹ Document 11a refers to Kerry W Harris as being company principal of 'Goldbank Foods' and 'Goldbank Foods' as 'owner'.

² Annexure MS-2 to Mr Simons declaration.

11. There is also in evidence an agreement between “Goldbank Foods” and “Praline Chocolates” dated 1 July 2001 by which “Goldbank Foods” authorises “Praline Chocolates” to manufacture Goldbank Food products and use the registered trade marks of the opponent and of “Goldbank Foods”. Although the agreement states that recipes will be provided by “Goldbank Foods”, there is no term in the agreement that “Praline Chocolates” will manufacture foods to those recipes. However, the main problem with the agreement is that the authority of “Goldbank Foods” to authorise use of the trade marks (which it does not own) is not evident.
12. The goods on which the trade marks may have been used by persons or entities seemingly connected to Mr Harris, within the relevant period (1 April 2000 and 1 April 2003), in Australia, are: plum puddings, fruit cakes, confectionery, plantation nuts, tropical fruits, puddings.³
13. I must state that Mr Harris’s statements are most unclear: I am not helped by statements such as, “I hereby state that Golden Clipper Heritage Collection #733763, and New England Heritage Collection #723862 have been used as product brand names continually, including the years 2000-2003 for Products listed in Class 29 as shown below. We are currently expanding this range to enhance both domestic and export sales.” The statement avoids the question of whether the signs have been used as trade marks within Australia and within the relevant period (1 April 2000 to 1 April 2003). And, given that Mr Harris was apparently within Nevada when he made the declaration, when he refers to domestic and export sales, does he refer to the Australian or United States markets?

Reasons

14. Section 92 provides, inter alia:

³ These items appear on invoices issued by “Goldbank Foods”.

- (4) An application under subsection (1) or (3) (*non-use application*) may be made on either or both of the following grounds, and on no other grounds:
- (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 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;
- (b) that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non-use application is filed, and, at no time during that period, the person who was then the registered owner:
- (i) used the trade mark in Australia; or
 - (ii) used the trade mark in good faith in Australia;
- in relation to the goods and/or services to which the application relates.

15. Section 100 provides:

100 Burden on opponent to establish use of trade mark etc.

- (1) 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*); or
- (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; or
- (c) any allegation made under paragraph 92(4)(b) that the trade mark has not, at any time during the period of 3 years ending one month before 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.

Note 1: If the registered owner of the trade mark has authorised another person to use it, any authorised use of the trade mark by that person is taken to be a use of the trade mark by the registered owner (see subsection 7(3)).

Note 2: For *file* and *registered owner* see section 6.

16. It appears from the evidence that the owner of these trade marks, Kerry Harris, either has not used the trade marks but that “Goldbank Foods (Pty Ltd)” may have used them or that “Goldbank Foods” is a business name used by the owner. If the use by “Goldbank Foods (Pty Ltd)” as a company has been an authorised use, this would be sufficient to totally or partially defeat the non-use application. Similarly, if the use has been by Kerry Harris trading as “Goldbank Foods”, this should be sufficient to totally or partially answer the application for removal. Any use by Praline Chocolates has not been an authorised user since “Goldbank Foods”, whatever its legal status, was not the owner of the trade marks and could not authorise their use.
17. However, the onus in these proceedings is on the opponent to show that either he has used the trade mark or that any use has been an authorised use: the owner of the trade marks has not done this. There is no satisfactory information as to whether the owner of the trade mark has authorised Goldbank Foods Pty Ltd to use the trade mark or whether the use has been by the owner trading as “Goldbank Foods”. I further regard the agreement between “Goldbank Foods” and “Praline Chocolates” as being quite odd since it is apparent that the trade marks did not belong to Goldbank Foods to authorise use of by anyone else.
18. Mr Harris is one of two directors and shareholders of Goldbank Foods Pty Limited. Illustrative of the great uncertainty of what the evidence shows, in his evidence in reply, Mr Harris refers to document 2 to his first statement as being:

“History supporting the use, in the market place, of the word ‘Heritage’ by Kerry Harris, Registered owner of Trade Marks 723862 & 733673, trading as Goldbank Foods”
19. A certificate of registration of a business name is not filed in support of this assertion, neither are the trade mark registrations of the word ‘Heritage’. Nor is there any mention

or evidence in the first statement by Mr Harris of any authorised user of the trade marks or mention that “Goldbank Foods” is a business name used by him.

20. It is thus not clear to me, whether ‘Goldbank Foods’ is a trading style of Mr Harris or a company of which Mr Harris is a director and shareholder that uses the trade mark. There are no business numbers or company numbers on the invoices that might shed light on this. This uncertainty or ambiguity in terminology and what is meant by “Goldbank Foods” is illustrated by the fact that it is “Goldbank Foods” who entered the agreement with “Praline Chocolates” – if “Goldbank Foods” were only a business name, it should not be able to enter such an agreement.
21. Further, if “Goldbank Foods” is only a business name of Mr Harris, why would it authorise the user of the trade marks by “Praline Chocolates” if Mr Harris had not regarded it as being the user of the trade marks or having authority of some kind over them?
22. The evidence is, viewed in this light, opaque and incapable of any sensible obvious interpretation.
23. It may occasionally be possible to read authorised user into whatever arrangements a trade mark owner has made concerning the user of the trade mark. But, if Goldbank Food Pty Ltd is an authorised user of the trade marks, there is nothing in the evidence to show that there is any attempt at quality control of the goods by Mr Harris, or whether his control is financial or whether a combination of these or other factors is at work. Moreover, the evidence here is confused and confusing and does not, in my opinion, admit to any such immediate interpretation. Section 100, read in conjunction with subsection 7(3), is quite prescriptive and the evidence here falls well short of the standard required to establish such user.
24. Thus, while it would seem from the evidence that someone must have used the registered trade marks, it is not clear whether the user was Mr Harris trading as Goldbank Foods or

Goldbank Foods Pty Ltd or Praline Chocolates or Goldbank International, what the legal relationship between these people was and whether the use was properly authorised.

25. I would conclude that, in response to the question, “Has the owner of the trade marks established to my satisfaction that he has either used the trade marks or that the use of the trade marks have been authorised uses?” the answer would be “Possibly, but not certainly.” This standard is not enough to discharge the onus which is on the opponent in these proceedings.
26. It follows that Mr Harris has not established his opposition to the removal applications.

Discretion

27. Section 101 provides:

101 Determination of opposed application—general

- (1) Subject to subsection (3) and to section 102, if:
- (a) the proceedings relating to an opposed application have not been discontinued or dismissed; and
 - (b) the Registrar is satisfied that the grounds on which the application was made have been established;
- the Registrar may decide to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.
- (2) Subject to subsection (3) and to section 102, if, at the end of the proceedings relating to an opposed application, the court is satisfied that the grounds on which the application was made have been established, the court may order the Registrar to remove the trade mark from the Register in respect of any or all of the goods and/or services to which the application relates.
- (3) If satisfied that it is reasonable to do so, the Registrar or the court may decide that the trade mark should not be removed from the Register even if the grounds on which the application was made have been established.

28. The decision not to remove a trade mark from the Register, or to limit the specifications of goods or services, is a discretionary power of the Registrar or Courts.
29. It appears possible that, whatever the confused state of the opponent’s evidence is, it shows that the trade marks have been used either under his direct control, or by one or more ‘authorised users’. This use, by the registrant or ‘authorised user(s)’ is possibly in relation to all of the goods for which 723862 is used and also possibly in relation to all

goods for which 733673 is registered with the exception of “honey, treacle and syrups”. The documentation which may establish this is far from ideal, and it is arguable it is not in the public interest, or in the interests of either party, that I force the parties into an appeal, and take up the time of the Courts, from a decision to remove the trade marks over what are, in effect, technical imperfections in the documentation of the opponent’s use of the trade marks and/or their authorised user. It also is in the public interest that the Register accurately reflects the state of the marketplace.

30. Set against this is the question of whether it is reasonable in the circumstances of these matters for me to exercise my discretion and leave the trade marks on the Register. In *Figgins Holdings Pty Ltd v Beltrami SpA* (1998) 46 IPR 411, Deputy Registrar Hardie said, at pages 418 - 419:

Under subsection 101(3) the Registrar needs to be "satisfied that it is reasonable" to leave a mark on the Register even when the grounds on which the removal application is made have been established. This requires the Registrar to be satisfied that there is sufficient reason for leaving it there. The reason would need to be based on special facts and circumstances, or an overriding question of public interest. The onus for showing that those circumstances exist is on the opponent to the removal application.

31. The opponent has not addressed this question directly and cannot be held to have shown that there are special facts and circumstances that warrant leaving the registrations on the Register. It also appears possible that the special facts or circumstances themselves should be evidenced and not be merely the fact that the evidence of use is confusing and/or lacks probative weight. I would add that it is apparent that the opponent appears to have treated both the use of its trade marks and these proceedings in a somewhat haphazard or lackadaisical manner. The evidence, as I have said, is both confused and confusing and calls on me to make a series of assumptions. I would contrast this with an ideal situation with more probative evidence from which inferences, rather than assumptions, can be safely drawn or made.

Decision

32. Having regard to all of the above factors, I have decided not to exercise my discretion and direct that, subject to any appeal from these decisions, the trade marks be removed from the Register.

Costs

33. Cost may follow the event and I order costs against the opponent.

Ian Thompson
Hearing Officer

8 November 2004