

TRADE MARKS ACT 1995

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

Re: Opposition by Starite Distributors Pty Ltd to application under section 92 of the Act by Nordstrom Inc to remove trade mark number 745906(24, 25) - **NORDSTROM** - in the name of Starite Distributors Pty Ltd

DELEGATE:	Alison Windsor
REPRESENTATION:	Opponent: Ed Heerey of counsel instructed by Griffith Hack Patent and Trade Mark Attorneys, Melbourne Applicant: not represented
DECISION:	S 92 opposition – use shown for cl 25 goods; use shown for some class 24 goods – s101(3) - Registrar’s discretion – non-use application unsuccessful – trade mark to remain on the register

Background

1. Trade mark registration 745906, for the trade mark **NORDSTROM**, is registered in the name of Starite Distributors Pty Ltd, (‘the opponent’). The registration has effect from 9 October 1997. The trade mark is registered for goods in two classes, namely, *Manchester* in class 24 and *Men’s shirts, men’s jackets* in class 25.
2. On 17 September 2004, Nordstrom, Inc, (‘the applicant’), filed an application for removal of the trade mark from the Register. The application was in respect of
 - all goods in class 25 for which the trade mark is registered; and
 - All goods for which the trade mark is registered in class 24 except for towels and wash cloths.
3. The applicant claimed standing as a ‘person aggrieved’ within the meaning of the *Trade Marks Act 1995*, (‘the Act’), and the grounds upon which the application was made fall within the provisions of subsection 92(4)(b) of the Act.
4. The declaration that accompanied the application states that arrangements were made in October 2002 for an investigation to be conducted to ‘ascertain if Starite Distributors Pty Ltd is using or has used the trade mark during the last three years’. It goes on to say that despite extensive enquiries no use of the trade mark **NORDSTROM** was disclosed, either by the trade mark owner or any third party. Paragraph 9 of the declaration refers to an inspection of a Dimmey’s store on 14 September 2004, again resulting in a finding of no use, except for two manchester

items – towels and wash cloths. These findings support the application in terms of subsection 92(4)(b) of the Act. The relevant three year period is from 17 August 2001 to 17 August 2004.

5. The application was advertised for opposition purposes in the *Australian Official Journal of Trade Marks* on 28 October 2004. The opponent filed a Notice of Opposition to the application on 20 January 2005 in which it claimed that:
 - the applicant was not a person aggrieved within the meaning of section 92;
 - the conditions required by subsection 92(4)(b) had not been fulfilled;
 - the trade mark has been used within the relevant period; and
 - the Registrar’s discretion should be exercised in favour of the registered trade mark.
6. The opponent served and filed evidence in support after several extensions of time for the purpose. The applicant advised it did not intend to rely on any evidence in answer. The opponent then requested to be heard. The matter came before me as delegate of the registrar for hearing in Melbourne on 12 September 2006. The applicant was not represented and did not provide any submissions. Mr Ed Heerey of counsel, accompanied by Ms Lyn Evans of Griffith Hack, patent and trade mark attorneys, represented the opponent.
7. It is appropriate to note here that this is the second time the applicant has applied to have this particular trade mark removed for non-use. A delegate of the registrar issued a decision in respect of the earlier action on 15 December 2004.¹ That non-use application was in respect of goods in class 25 only, and the decision resulted in the items “ladies dresses” and “ladies knitwear” being removed from the goods claim in that class, reducing the specification to what is currently on the register, namely “men’s shirts” and “men’s jackets”.

Evidence

8. The opponent’s evidence in support consists of two declarations. The first is made by Douglas Zappelli, director of the opponent company. This is a short declaration mainly attesting to the status of the relationship between the opponent and its authorized user, Nordstrom International Pty Ltd.

¹ (2004) ATMO 75

9. The second declaration is made by Rex Stewart, director of the authorized user. Mr Stewart provides information in respect of use of the trade mark on the goods claimed. The declaration includes Annexures A to J, providing invoices, copies of brochures and catalogues, as well as examples of swing tags and garment tags. Rather than detail the evidence here, I will refer to the relevant portions during my discussions later in this decision.

The Legislation

10. In accordance with section 100 of the Act, when an application is made under the provisions of section 92(4)(b) the onus falls to the opponent to rebut any allegation 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.
11. Section 101 authorises the Registrar to remove the trade mark from the Register in respect of any or all of the goods to which the application relates providing the Registrar is satisfied that the grounds on which the application was made have been established.

Person Aggrieved

12. The opponent has not disputed the applicant's standing as a person aggrieved. There is thus no need for me to investigate this issue further.

Use During the Relevant Period

13. The relevant period for these proceedings is 17 August 2001 to 17 August 2004.² There are two classes of goods involved, and I shall deal with them separately.

Class 25

14. The Stewart declaration states that the class 25 goods (men's shirts and men's jackets) were sold within Australia during the relevant period, bearing labels and swing tags which show the trade mark. Many of the documents attached as annexures to the declaration do not clearly show use of the trade mark but there are sufficient examples for me to be satisfied that use did take place. There are clear examples of the trade mark in use on the goods demonstrated by documents attached at Annexure B

² This period is contemporary with part of the relevant period for the earlier action – 19 November 1999 to 19 November 2002.

(invoice dated 18 February 2004) and Annexure C (brochures dated April 2003 and March 2002). Annexures D and E respectively consist of copies of invoices from a firm called Clearihan & Associates for printing and production of the brochures mentioned previously. The invoices clearly refer to the trade mark. All these documents are dated within the relevant period.

15. These examples provide sufficient information to demonstrate genuine commercial use of the trade mark on the class 25 goods within the relevant period, in accordance with the test in *Imperial Group Ltd v Philip Morris & Co Ltd* [1982] FSR 72. Even a single bona fide use of the mark in the relevant period is sufficient to resist an application for removal - *Woolly Bull Enterprises Pty Ltd v Reynolds* 51 IPR 149. I am satisfied the opponent has established use for the goods in class 25 within the relevant period.

Class 24

16. The goods claim in this class is the single word “manchester”. “Manchester” is defined in the *Macquarie Dictionary* (on-line version) as “household linen”. “Linen” itself is defined as “household articles, as sheets, tablecloths, etc., made of linen or some substitute, as cotton”. The goods claim thus covers a wide range of textile goods designed for household use.
17. Annexure H, which consists of copies of two Dimmey’s catalogues dated February 2002 and May 2004, shows the trade mark advertised on a range of bath towels, bath sheets, hand towels, bath mats and face washers. This is sufficient to demonstrate genuine commercial use on those specific goods within the relevant period.

Registrar’s Discretion

18. There is a discretion embodied in subsection 101(3) of the Act. That particular part of the legislation reads as follows:

(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.

19. The application for non-use requested removal for all goods within the class 24 claim, except for towels and wash cloths. Use has been demonstrated on a range of goods broader than that nominated in the application, but significantly less than the range of goods encompassed by the description “manchester”. As the onus was on the

opponent to show use on the registered goods, not on a subset of them, it is therefore open to me to decide to order removal for all the goods except those for which use has been demonstrated. It is not my intention to do so, and my reasons for this decision follow.

20. I consider the general market for “manchester” in Australia is one in which textile manufacturers provide a broad range of such goods under their trade marks. It is usual to find goods such as sheets and pillowcases, duvet covers, bath towels and other towelling goods all bearing the same trade mark. This would produce a situation where trade mark confusion is a distinct likelihood if the goods within the description “manchester” are divided up amongst a number of producers.
21. Drummond J commented on the issue of fine distinctions in respect of goods claims when he considered trade marks involving the word “Taipan” in *McHattan v Australian Specialised Vehicle Systems Pty Ltd* (1996) 34 IPR 537. He said:

The statute now makes clear that a mark can be limited by an order made on a non-use application to exclude goods in respect of which the mark was originally registered, but in respect of which specific goods the proprietor has not used his mark, while leaving his registration otherwise intact. Just as it was well established by authority that s 23 of the 1955 Act conferred a discretion not to remove or limit a registered mark even though relevant non-use was shown – see *Carl Zeiss Pty Ltd’s Application* (1969)122 CLR 1 – so does s 101 of the 1995 Act confer a discretion not to remove a mark from the Register or limit a registered mark to exclude from its scope specific goods in relation to which the registered proprietor of the mark has been unable to prove relevant use of his mark. In these respects, the liability of a registered mark to removal or limitation is much the same under both the 1955 and 1995 Acts.

But in contrast to the position under s 23 of the 1955 Act, it is the registered proprietor who bears the onus of rebutting allegations of non-use of his mark in relation to the specific goods to which the non-use application relates. See s 100(1). As is clear from s 100(2) and (3), the registered proprietor will only rebut an allegation of non-use of specific goods covered by his registration by proving use of his mark in relation to those specific goods: proof of use of his mark in relation to different goods but which are goods of the same description as the goods the subject of the non-use application is no longer sufficient to defeat a non-use application in relation to particular goods covered by the original registration. The registered proprietor of a mark was thus better placed to defeat a non-use application brought under s 23 of the 1955 Act in reliance on his non-use of some of the goods covered by his registration than is the registered proprietor of a mark who is faced with a non-use application under s 92 of the 1995 Act.

But, in my opinion, the restricted scope the registered proprietor of a mark has to defeat a non-use application brought under s 92 of the 1995 Act compared with the position under the 1955 Act shows that there is a real question as to the proper interpretation to be placed on the expression “any or all of the goods ... in respect of which the trade mark ... is registered” in s 92(1): if that provision is construed to permit fine distinctions to be drawn between two items, eg, between a sedan motor car and a utility motor car or the sort of distinction implicit in the second of the respondents’ non-use applications, viz, that between armoured military vehicles of greater than eight tonnes and smaller armoured military vehicles, the value of trade mark registration under the new Act is potentially capable of very great erosion. If s92, on its proper construction, permits of fine distinctions like this, s 44 might well need to be given a radically different reach from that which it appears on its face to have: there would seem to be little point in allowing limitation of a registration because of non-use of the mark in relation to goods only slightly different from those in respect of which the mark was registered, without also allowing the successful challenger to obtain registration for himself of that same mark in respect of those slightly different goods. The potential for fragmented ownership of the same or a very similar mark in respect of very similar goods to cause confusion, in my opinion, further illustrates the difficulties in identifying the construction that should be placed on the range of goods that s 92(2) permits to be made the subject of a non-use application.

22. Taking these judicial comments into account, I am satisfied that the distinction between “manchester” in general and “manchester other than towelling goods” would be akin to the distinction between the various species of motor cars and military vehicles to which Drummond J referred. Therefore, it would be inappropriate for me to restrict the goods claim of the registered trade mark to only those goods for which actual use has been shown. I do not intend to order the trade mark goods specification in class 24 be restricted.

Decision

23. It is my decision that the goods claim in class 25 shall remain unchanged. In respect of class 24, despite the opponent having shown use on less than the complete range of goods its specification in that class encompasses, and the applicant technically having made out a case for removal for at least some of the goods, it is not appropriate to restrict the goods specification to that demonstrated in the evidence in support. The application for removal is therefore unsuccessful.

Costs

24. The opponent has requested its costs. Having been successful, it is so entitled. I award costs against the applicant, Nordstrom Inc, at the official scale.

Alison Windsor
Hearings Officer
Trade Marks Hearings
IP Australia

30 November 2006