



TRADE MARKS ACT 1995

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

Re: Opposition by Wal-Mart Stores, Inc to registration of trade mark application
781727(24)(27) OZARK filed in the name of Ozark-London Limited.

DELEGATE:	Ian Thompson
REPRESENTATION:	Opponent Ed Heerey of Counsel, instructed by Chris Round, Solicitor, of Middletons.
	Applicant Gerard Skelly, Solicitor, of Spruson & Ferguson.
DECISION:	1. Section 52 Opposition; s59, s58 and s60 – opposition not established. 2. Costs ordered against opponent.

Background

1. Ozark-London Limited ('the applicant') of London, England, has filed application to register a trade mark, current details of which are:

App No: 781727
Filing Date: 22 December 1998
Convention Date: 30 June 1998 (United Kingdom, No. 2170828A)
Class: 24 Textiles; textile piece goods; bed linen; bed spreads, blankets, coverlets, eiderdowns, quilts, duvet covers, mattress covers, pillow cases; sleeping bags; bath linen; towels, face towels; table linen; table covers, table cloths, place mats of textile, table mats; household linen; furniture coverings of textile and plastics; covers for cushions; loose covers for furniture; curtain holders of textile, curtains of textile; travelling rugs; wall hangings of textile; blinds of textile; handkerchiefs; tea towels, tea cloths
Class: 27 Wall coverings; wallpaper, wall hangings (not of textile); floor coverings; carpet, carpet underlay, carpet for automobiles; artificial turf; mats; bath mats, door mats, rugs; linoleum; vinyl floor coverings
Trade Mark: OZARK
Endorsements: Convention priority claimed: 30 June 1998, United Kingdom, No. 2170828A in respect of textile piece goods not for use in clothing; bed linen; bed spreads, blankets, coverlets, eiderdowns, quilts, duvet covers, mattress covers, pillow cases; sleeping bags; bath linen; towels, face towels; table linen; table covers, table cloths, place mats of textile, table mats; household linen; furniture

coverings of textile and plastics; covers for cushions; loose covers for furniture; curtain holders of textile, curtains of textile; travelling rugs; wall hangings of textile; blinds of textile; handkerchiefs; tea towels, tea cloths in class 24.

Convention priority claimed: 30 June 1998, United Kingdom, no. 2170828a in respect of wall coverings; wallpaper, wall hangings (not of textile); floor coverings; carpet, carpet underlay, carpet for automobiles; artificial turf; mats, bath mats, rugs; linoleum; vinyl floor coverings; door mats in class 27.

2. During examination of the application all of the goods which had been in Class 25 on the application were deleted because it encountered grounds for rejection on citation of registration 663512(25) which is registered for some of the goods of interest. I include, without comment, a representation of the cited trade mark:



3. After examination, the application was advertised accepted for possible registration in the *Australian Official Journal of Trade Marks*, on 9 March 2000. On 28 August 2000, having sought and received an extension of time in which to do so, Wal-Mart Stores, Inc ('the opponent') of Bentonville, Arkansas, United States of America, filed Notice of Opposition ('Notice') to registration of the trade mark. The Notice sets out the grounds in numbered format and cites several of the available grounds of opposition. These grounds are under sections 59, 58, 60, 42 and 43 of the *Trade Marks Act 1995* ('the Act'). But the Notice is to an extent couched in curious terms in that three other numbered grounds of opposition relate to a 'bad faith' ground of opposition: 'bad faith' per se is not an available ground of opposition in terms of Part 5, Division 2 of the Act.
4. Evidence in support was served and filed; as was evidence in answer and evidence in reply as allowed by the Act and Regulations thereto.
5. A hearing was held before me, as a delegate of the Registrar of Trade Marks, in Canberra, on Friday 28 May 2004. Ed Heerey of Counsel, instructed by Chris Round, solicitor, of Middletons of Melbourne, represented the opponent by videoconference; Gerard Skelly, solicitor, of Spruson & Ferguson of Sydney represented the applicant.

Evidence

6. The evidence comprises the following declarations:

Declarant	Position Known as	Date Made	Exhibits
Evidence in Support			
Barbara L Waite	Partner, Law firm of Venable, Baetjer, Howard & Civiletti 'Waite'	20 November 2001	A – J
Brett Dye	Buyer for Opponent 'Dye'	14 November 2001	
Dick Fish	Vice President, Divisional Merchandise Manager, Domestics (Home Textiles), Opponent 'Fish'	14 November 2001	
John J Ryan	Senior Vice President, Global Sourcing Opponent 'Ryan'	16 November 2001	A – C
Derek Rau	Divisional Merchandise Manager Opponent 'Rau'	12 November 2001	A
Evidence in Answer			
Deborah Renate Charlotte Jackson	Technical Assistant Spruson & Ferguson 'Jackson'	7 June 2002	A – C
Claire Louise Orgar Peach	Technical Assistant Spruson & Ferguson 'Peach'	7 June 2002	A – C
Leslie Creasey	Managing Director Opponent 'Creasey'	27 February 2003	LC1 – LC2
Evidence in Reply			

Steve Noetzel	Bedding Buyer Opponent 'Noetzel'	18 Jul 2003	
Nina Bahler	Bedding Buyer Opponent 'Bahler'	18 July 2003	
Richard Fish	Former Vice President, Divisional Merchanise Manager, Domestics (Home Textiles), Opponent 'Fish 2'	18 July 2003	
Barbara L Waite	Partner, Law firm of Venable, Baetjer, Howard & Civiletti 'Waite 2'	30 July 2003	A

7. I understand that the Dick Fish and Richard Fish referred to above, is/are one and the same person. And Mr Creasey's evidence brings into evidence, as an exhibit to his declaration, the declaration that he made for proceedings concerning European Union registration Nos 966014 and 1062934.

Evidence in Support

8. Barbara L Waite is a partner in the law firm of Venable, Baetjer, Howard & Civiletti of Washington, DC, in the United States of America. At the time of making her first declaration, she had been, for some ten years, the 'outside' intellectual property counsel for the opponent.
9. Ms Waite states that the opponent is the registered owner of, and uses, the trade mark OZARK TRAIL in the United States of America – this use and ownership started in 1985 – the opponent then using the trade mark in relation to outdoor clothing, jackets boots and socks. Since then, the opponent has gradually increased in its range and in 1996 the opponent was using its OZARK TRAIL trade mark in relation to a range of outdoor clothing and camping equipment and camping furniture. The geographical area of the use of the trade mark OZARK TRAIL has also increased to include at least Canada and the opponent has registrations of its OZARK TRAIL trade mark in at least the USA, Argentina, Korea, Mexico, Thailand, Canada, Germany and Brazil.
10. Ms Waite attests to voice messages left for her by the Managing Director of the applicant, Mr Leslie Creasey. Transcripts of these voice messages are exhibited to her

declaration. It is obvious, I think, that the transcripts are not 100% accurate. I adopt Mr Heerey's synopsis of events, since it is relevant to what I will say later:

30 May 2000, Mr Creasey contacted the Opponent's intellectual property counsel in Washington DC, USA, Ms Barbara Waite. On **31 May 2000**, Mr Creasey left a voicemail message with Ms Waite referring to:¹

(a) a brand that Mr Creasey claimed to own in the UK called "OZARK";

(b) a "brand of the same name OZARK TRAIL" that the Opponent owns for apparel in the USA;

(c) whether the Opponent planned to use "OZARK" for apparel in Europe.

On **22 June 2000** Mr Creasey again left a voicemail message for Ms Waite, stating:²

"I think . . . you're keen to get hold of my registrations and some cases object to them where our applications are in. I think the best way to resolve this problem could be to view all the territories as one. All the applications and registrations, all in the same part. . . . somebody [at the Opponent] must know what's going on because they are objecting to certain registrations in Australia and Germany as we speak."

11. Appended to the Waite declaration are various materials and brochures featuring the OZARK trade mark that Mr Creasey sent her. A facsimile letter and further calls confirmed Mr Creasey's eagerness to meet with Ms Waite but she was reluctant to do so for professional reasons.
12. Ms Waite also appends to her declaration a list of Australian owners of shares in the opponent.
13. Brett Dye and Dick Fish attest to dealings with Mr Creasey, of the applicant. Mr Creasey approached the opponent in late 1997 concerning a 'concept' that Mr Creasey was interested in selling the opponent concerning the trade mark OZARK and the declarants were amongst those of the opponent's personnel who met with Mr Creasey.

¹ Waite 1st declaration [3], exhibit B.

² Waite 1st declaration exhibit E.

14. As I understand the concept, it is a broad range of housewares and lifestyle goods under the trade mark OZARK which utilises images, themes and stylistic components based around the theme of the Ozarks, a mountain range in the mid-west of the USA which is a popular holiday, camping and caravan destination for Americans.
15. As the opponent's buyers are instructed to deal only with manufacturers, the negotiations between the buyers and Mr Creasey came to naught. Both Mr Dye and Mr Fish (Fish 2) were apparently unaware of the opponent's ownership of the trade mark OZARK TRAIL in the USA, the opponent being a large trader with a multitude of trade marks and the area of usage being outside of their departments, and so did not bring any possible conflict to Mr Creasey's attention.
16. John Ryan brings into evidence details of the opponent's history and scope of operations. It is the largest retailer in the world. It has, I would gather from the declaration, operations under the trade mark Wal-Mart in the USA, Canada, Mexico, Argentina, Brazil, the United Kingdom, Germany and the People 's Republic of China. I must state, however, that this claim appears to be inconsistent in part with the opponent's Annual Report in evidence. It is not clear from the Annual Report that all of these stores in all of these countries operate under the trade mark Wal-Mart, nor is it clear that they all sell private brand (house mark) Wal-Mart goods. For instance, it is apparent in the Annual Report that the opponent's United Kingdom stores operate under the trade mark ASDA.
17. The opponent does not have any stores in Australia, whether under the trade mark Wal-Mart, or otherwise. Nor is it claimed that the opponent sells goods into the Australian market.
18. Mr Ryan draws my attention to the fact that some third of a million Australians visit the United States each year and that at least some of them might be supposed to visit the opponent's stores. The opponent has a website from which goods can be ordered at www.wal-mart.com which includes the goods under the trade mark OZARK TRAIL.
19. This declarant also draws my attention to a pending application by the opponent to register its trade mark OZARK TRAIL in Australia. Details of this application are:

Priority date: 28 August 2000
 Goods/Services: Class: 3 Soap
Class: 4 Propane fuel, butane fuel, magnesium fire starter
Class: 6 Metal tent stakes
Class: 8 Pocket knives, saws, machete, camp ax, mallet, folding shovel, saws, machete
Class: 9 Directional compasses and signal whistles
Class: 11 Lantern stands, grills, cookers, camp stoves
Class: 18 Utility bags
Class: 20 Air mattresses and cots for camping; folding tables, chairs and benches, sleeping bags
Class: 21 Grommet and fastener kits; household utensils for outdoor cooking and eating, drinking glasses; thermal bottles, can opener, tablecloth clamps
Class: 22 Hammocks, tents, tarpaulins, vinyl repair kit, bungee cords
Class: 24 Tablecloths, blankets, mattress pads, towels
Class: 25 Shirts and rain ponchos
Class: 26 sewing kits
 Trade Mark: OZARK TRAIL

20. Mr Rau attests to the use of the trade mark OZARK TRAIL in Canada by the opponent since 1998. Although the declarant gives sales figures, the specific goods on which the trade mark has been used in Canada are not mentioned in his declaration, although I note that he is manager of sporting goods. Mr Rau appends many pages of ‘flyer’ type brochures to his declaration. These are reduced-size colour photocopies and I cannot readily discern examples of the trade mark OZARK TRAIL within them.

Evidence in Answer

21. Ms Jackson brings into evidence the decision in proceedings between the parties in the United Kingdom decision, *In the matter of an application under number 11776 by Wal-Mart Stores Inc for a Declaration of Invalidity in respect of Trade Mark Number 2170828a in the name of Ozark-London Limited*. (‘the UK invalidity decision’).
22. The application by the opponent for a declaration of invalidity was not successful.
23. Ms Peach’s declaration concerns the opponent’s Internet website. While the trade mark OZARK TRAIL was featured on this website on 7 February 2002 in relation to a limited number of goods (a camping table and two types of tent), purchase of these goods from Australia was not possible. The opponent disputed neither the limited range of goods nor the unavailability of them to Australians in evidence or in submission at the hearing.

24. Leslie Creasey is, as mentioned above, Managing Director of the applicant. He attests that prior to filing the opposed application, Spruson & Ferguson searched the trade mark OZARK in classes 24, 25 and 27 and this did not reveal any conflicting applications or registrations of the word OZARK. Application was filed and encountered the above-mentioned citation in Class 25 which Mr Creasey elected to delete from his application.
25. The trade mark OZARK is one of three concept brands thought up by Mr Creasey – the others he apparently regards as either being subsidiary to the OZARK brand or as being ‘reserves’. The other two trade marks are ‘McBrides Landing’ and ‘Hunters Landing’
26. I quote from the UK invalidity proceedings concerning Mr Creasey’s unchallenged history of the genesis of the OZARK trade mark. Mr Foley, for the Registrar, says at paragraph 20:

Ozark-London Limited [...] is involved in promotion/brand building and development. Mr Creasey confirms that he has been involved with the company since 1994, is fully acquainted with their business, and the statement is made from his own knowledge or from the records of the company to which he has full access.

Mr Creasey refers to his becoming aware that Ozark is a region in the States of Missouri and Arkansas, saying that this was in the mid 1970's when he was employed by a company in Kansas City. He gives his views on the Ozark region saying, inter alia, that it is not a commercial area or well known for any particular goods or services, referring to exhibit LC1. The exhibit consists of a copy of the 5th Edition of *Frommer's Guide to the USA*, which under the entry for Branson and the Ozarks refers to the area as a popular playground (vacation) area, with the only other reference to commerce being entertainment.

Mr Creasey refers to his involvement with a client who asked him to put together a company/brand name for use in relation to footwear for use in Japan. He says that he suggested OZARK because of his favourable recollection of the Ozarks, and that the client agreed that the name be used. An off-the-shelf company was purchased and its name changed to Ozark-London Limited, exhibit LC2 being a copy of the Certificate of Incorporation on Change of Name for that company recording the change to Ozark-London Limited on 11 November 1994. Mr Creasey explains that for financial reasons the client was unable to proceed and the ownership of the company remained with him.

Mr Creasey refers to exhibit LC3 which consists of two notes dated 19 December 1994 and 10 January 1995 marked as being for the attention of Leslie Creasey. The notes have a logo depicting a mountain range with the word OZARK, state this to be original artwork and endorsed with a request for comments regarding its suitability. Mr Creasey confirms that at this time

he was not aware that Wal-Mart had any ideas or plans to create products under the mark OZARK TRAIL.

27. In 1997, says Mr Creasey, he had discussions with certain national retailers in the United Kingdom and with Crown Creative in Japan concerning the licensing of the OZARK trade mark in relation to outerwear goods, furniture and furnishings. A furniture maker used the OZARK trade mark in relation to cabinet furniture from about June 1999 and also Debenhams used the trade mark from about February 2000 onwards (in relation to what is not clear but it appears possible that Debenhams are also furniture makers).
28. The applicant has also licensed Johnson Bros, a subsidiary of Waterford Wedgwood Australia Limited, to use the trade mark OZARK on tableware since 1999 in the United Kingdom and 2000 in Australia.
29. The applicant has presented its OZARK concept to numerous companies in a large number of countries, including Australia. In Australia it has shown its concept to K-Mart, Charles Parsons, Target, Country Road, Bartex, Sheridan, Ashdene, Melman Agencies and Myers Retailers during 1998. Manufacturers and/or agencies who have taken up licences with the owners of the trade mark include, Asiatic Carpets Limited, Cloverleaf Group Limited, Croydex Co, Fiskars UK Limited, The Gift Business, Graham & Brown Limited, H&R Johnson Tiles Ltd, ISE International Furniture Limited, Johnson Bros, Millcroft Designs Limited, Roger Monk & Sons Limited (Moygashel) and Turner Bianca PLC. Not all of the above traders are active in the Australian market, but I am aware that at least H&R Johnson Tiles Ltd, or their Australian subsidiary, trade in the Australian market: *H&R Johnson Tiles Limited v Duramax, Inc* [1999] ATMO 119; *H&R Johnson Tiles Ltd v Johnson Industrial Holding AG* [2004] ATMO 20.
30. Mr Creasey deposes that he was not aware of the opponent's ownership of the trade mark OZARK TRAIL until he visited one of their stores in Chicago in August 1999 where the trade mark OZARK TRAIL was being used on outerwear.
31. Mr Creasey states that the opponent made an offer (via its United Kingdom trade mark attorney) to purchase the applicant's trade marks for a sum that would cover only the costs of registration. Mr Creasey declined this offer for the reason that it was not a serious commercial one.

Evidence in Reply

32. The opponent's declarations in reply, Noetzel, Bahler and Fish are largely in common form and attest to the fact that these people had discussions with Mr Creasey in 1997 about the OZARK concept that he was promoting. The declarants state that at the time of the discussions, (1997) they had no idea that the opponent had a 'house' brand (or private label) of outdoors camping equipment and clothing under the trade mark OZARK TRAIL. The deponents attribute this to the very large product range (in excess of 100,000 product lines) carried by the opponent.
33. Waite 2 merely updates some of the prior evidence filed by the opponent in relation to its world-wide registrations of the trade mark OZARK TRAIL and makes comment on Mr Creasey's evidence.

Observation

34. The thrust and tone of the parties' evidence suggests that the parties believe that, absent use or registration, it is possible to build some kind of world-wide exclusivity in a trade mark such as OZARK by its use and registration only in one country. Or that its registration in a number of countries other than Australia should confer some kind of right within Australia. I draw the parties' attention to the words of Mr Foley in the UK invalidity decision:

In considering the issue of ownership of a trade mark in a third country it is necessary to be circumspect. If any person in a third country could claim successfully that an application was made in bad faith simply because it consisted of his trade mark or was similar to his trade mark, the long established geographical limitations of trade mark rights would be thrown into confusion.

35. The Australian Courts, in the absence of use or reputation of an overseas trade mark within Australia, look upon borrowings from abroad as being sharp business practice, but nothing more.³

Comment

36. In submissions, Mr Heerey made much of the largely uncorroborated nature of Mr Creasey's declaration. However, I will accept Mr Creasey's declaration at face value for the following reasons:

³ *Moorgate Tobacco Co Ltd v Phillip Morris Ltd* (1984) 156 CLR 414

- The opponent's evidence corroborates much of what Mr Creasey says of his meetings with personnel of the opponent. Mr Creasey's meetings with other people might be expected to be of the same ilk.
 - The supporting evidence in the form of the applicant's brochures, etc supplied by both the applicant and the opponent showing the applicant's use and proposed uses of the OZARK trade mark, appear to bear out (or be consistent with) what Mr Creasey states.
 - The evidence of Mr Creasey is coherent and consistent, both with his declarations to the United Kingdom Registrar in the UK Invalidity decision and to the Tribunal in the OHIM (European trade mark) proceedings. The evidence does not appear to have been seriously questioned in those other related proceedings.
 - While the opponent does not state that the discussions with Australian traders did not take place, it complains about the lack of detail in the subject matter of the meetings. However, the opponent's evidence from Dye, Fish, Noetzel and Bahler details the types of conversations or contacts that Mr Creasey was having with potential licensees.
 - Moreover, Mr Creasey's declaration is properly sworn and I can see no cause to weight his declaration lightly.
37. The first Waite declaration (it will be recalled that Ms Waite is the opponent's intellectual property counsel) does not state the content or import of Mr Creasey's first contact with her on 30 May 2000: thus the context of Mr Creasey's subsequent messages is not clear. Further, it is plain to me that the transcripts of Mr Creasey's attempts to contact Ms Waite do not obviously evidence an attempt to sell the trade mark to the opponent, rather than an attempt to settle the matter amicably. It seems to me equally plausible that what Mr Creasey was in reality suggesting as a topic for negotiations was either some kind of carve up of the territories in which the trade marks were to be used or some kind of co-existence agreement. Certainly, the offer the opponent made to Mr Creasey appears to have been derisory and not the result of 'gun at your head' negotiations.
38. I do not consider that the list of Australian shareholders in the opponent company demonstrates much. I would expect these shareholders to be somewhat less familiar with the house or private trade marks of the opponent than the opponent's personnel

who are shown by the evidence not to have had any familiarity with the relevant trade mark in 1997.

Issues

39. In submissions, the main thrust of Mr Heerey's argument went to section 59 of the Act. He argued that the applicant's evidence shows that the applicant does not intend to use the trade mark in Australia. A secondary argument was in terms of section 60 of the Act – Mr Heerey argued that the reputation of the opponent's trade mark OZARK TRAIL is such that the use by the applicant of its trade mark OZARK would confuse or deceive. A third argument was proposed under section 58: however, I stated at the hearing that this could not be entertained for the reasons that the two trade marks do not approach a substantial identity⁴ and the opponent has neither sold goods under the trade mark in Australia nor has a preceding Australian application or registration.⁵
40. I will address the second of the arguments first: that being under section 60 concerning the reputation of the opponent's trade mark in Australia, then I will discuss the substance of this matter in terms of section 59 of the Act.

Section 60

41. Section 60 of the *Trade Marks Act 1995* provides:

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

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.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

42. In order to establish a section 60 ground of opposition the opponent must establish that the applied-for trade mark is substantially identical with, or deceptively similar to, another trade mark that enjoyed a reputation in Australia at the priority date of the

⁴ *Carnival Cruise Lines Inc. v. Sitmar Cruises Limited* 31 IPR 375; *The Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1961) 109 CLR 407 at 415.

⁵ *re Hicks' Case* (1897) 22 VLR 636.

applied-for mark and that as a result of that reputation, use of the applied-for trade mark would cause deception or confusion.

43. In *McCormick & Company Inc v McCormick* [2000] FCA 1335 (15 September 2000)

Kenny J said at paragraph 81:

What is intended by the word "reputation" in s 60? The word is defined in *The Macquarie Dictionary* as follows:

reputation ...

1. the estimation in which a person or thing is held, esp. by the community or the public generally; repute ...
2. favourable repute; good name ...
3. A favourable and publicly recognised name or standing for merit, achievement, etc. ...
4. The estimation or name of being, having done, etc, something specified.

Cf. *The Oxford English Dictionary*. In s 60, the word is, I think, apt to refer to "the recognition of the McCormick & Co marks by the public generally".

44. I think that this head of opposition should be immediately disposed of by observing that the opponent's trade mark did not have a reputation in Australia. Indeed, it is not obvious to me it could be fairly argued on the evidence before me that (in terms of the test in *McCormick*) that the trade mark OZARK TRAIL had a reputation in the United States at the relevant date (22 December 1998). It will be recalled that the opponent's claim is that the use of its OZARK TRAIL trade mark expanded in 1996. There are four of the opponent's declarants (Dye, Fish, Noetzel and Bahler) who apparently had no knowledge of the opponent's OZARK TRAIL trade mark in 1997 when they met with the applicant's Mr Creasey and possibly not – I suspect – until this and other related proceedings in Europe arose in 2000. It is not clear to me how Australians could know of the opponent's trade mark while comparatively senior personnel of the opponent did not.

45. It is possible that a trade mark might have sufficient reputation in Australia to establish this ground despite the fact that it is not used here: *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302. Apparently, some third of a million Australians visit the United States every year. Undoubtedly some of them might shop in the opponent's stores. It would be possible for the opponent to show this via credit card transaction records but the opponent has not. The opponent has not shown that any Australians

have bought camping equipment or outdoors clothing in their stores. Moreover, the applicant's evidence shows it is not possible for people in Australia to purchase goods under the trade mark via the Internet as the opponent does not sell via the Internet to Australia.

46. The opponent is unable to provide consolidated sales figures in relation to goods sold under the OZARK TRAIL trade mark, nor state the value of camping and outdoors goods it sells and what proportion of its camping and outdoors goods are sold under the trade mark.
47. In relation to the Canadian sales figures, which are given, the opponent does not state the goods in relation to which the trade mark is used in Canada. The opponent does not state how many Australians visit Canada each year, shop in its Canadian stores, buy camping equipment or outdoor clothing there and so forth.
48. Mr Creasey's unchallenged evidence is that he attended one of the opponent's Wal-Mart store at Dortmund in Germany twice in the year 2000 at an interval of some three months and could not find any goods sold under the opponent's OZARK TRAIL trade mark. I consider I may infer that if the trade mark had been one of the opponent's leading 'house' trade marks or had a reputation, it would have been present in the Dortmund Wal-Mart store.
49. It is my strong impression of the evidence that the trade mark OZARK TRAIL was used by the opponent in relation to a relatively minor range of camping equipment and outdoor clothing and that the opponent's claims to any reputation in the trade mark are overblown.
50. The opponent has not established its ground under section 60.

Section 59

51. Section 59 of the *Trade Marks Act 1995* provides:

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.

Note: For *applicant* see section 6.

52. Before discussing the merits of the opponent's opposition under section 59, I will commence by noting that the acute observer will have noticed that the evidence shows the opponent has filed a trade mark application (847869 OZARK TRAIL) which the opponent is apparently incapable of using in Australia. The trade mark is what the opponent calls a private label: it is a house brand sold only through the opponent's stores. The opponent has no stores in Australia; it does not sell via the Internet in Australia. It has no apparent plans to open stores in Australia. This is, of course, in no way germane to the issue of the *applicant's* intended use of the trade mark; but it remarkable, just the same.

53. Mr Heerey submitted that the operation of section 59 is a continuing one. In *Sapient Australia Pty Ltd and Sapient Corporation v SAP Aktiengesellschaft* [2002] ATMO 51 (20 June 2002) Hearing Officer Mr Williams said:

This ground is also one where an applicant's intention to use is relevant. However, it is a ground written in the present tense and looks at the present state of the intention of the applicant. The introduction of such a ground is consistent with the creation of s 108, which had no counterpart under the 1955 legislation. Under s 108, a party defending an application may well be a different entity from the one who initially filed the application. Thus, section 59 deals with current defects in intention to use, interlocking with section 58, under which the intention and facts at the time of filing are the relevant elements.

54. The operation of the section is therefore a continuing one. It is logical that this be so because a course of dealing between the parties that might reveal a lack of intention to use might not become apparent until opposition proceedings are underway⁶. Other rights accrue from the date of filing and sections 44(3), 44(4), 58 and 60, for instance, look to the use of the trade marks and the filing date. However, an intention to use goes more to the state of mind and determination of the applicant to use the trade mark and these are ongoing and changeable things.

55. Mr Heerey's submissions focussed on the applicant's evidence concerning the goods in relation to which the evidence shows that negotiations for licensing have taken place;

⁶ *Rowela Rentals Pty Ltd v Champagne Moet et Chandon* [1985] AIPC 90-238

the goods of this application and the opponent's perceptions of the lack of any affirmative evidence that the applicant intends to use the trade mark. Mr Heerey submitted that the "abandonment" of its Class 25 goods reveals that the applicant has no serious intention to use the trade mark. Mr Heerey drew my attention to two recent decisions of the Australian Registrar where Spruson & Ferguson, the attorneys for the applicant, had been involved in establishing a ground under section 59. With the section 59 ground unequivocally at the head of the Notice, submitted Mr Heerey, the applicant should have been on notice that this ground was of some eminence. However, says Mr Heerey, the applicant has filed no evidence directed at this ground.

56. It is instructive therefore, at this juncture, to look at these recent decisions of the Registrar in relation to section 59.
57. In *Sapient*, a related decision of the Federal Court and the decision of an appeal from that decision preceded the matter before Hearing Officer Mr Williams⁷. Taken in totality, an inference could be drawn from the opponent's evidence before Mr Williams that the applicant had filed the application for tactical or strategic reasons as a part of its dispute with the opponent. The applicant did not present evidence or argument to refute that inference. Mr Williams said:

The evidence of use that has been filed will thus support an inference that SAP Ag's past use will continue and, further, that the present application was filed for tactical reasons only and not supported by any genuine intention to commence bona fide commercial use. I do not say that Sapient has proved its case - it does not have the unenviable job of "proving a negative" - but if "slight evidence will suffice"⁸ then it has done sufficient to shift the onus onto SAP Ag, requiring it to validate its intention.

58. In *Danjaq, LLC v Resource Capital Australia Pty Ltd* [2004] ATMO 18 (7 April 2004) I decided the matter in the presence of the opponent's evidence of the applicant's trading style, a Court finding of untruthfulness; also, apparent attempts at trade mark piracy and cybersquatting from which strong inferences about the applicant's lack of intention to use the trade mark could be drawn. This evidence had been served on the applicant and it directly addressed the bona fides of the applicant's intentions to use the trade mark. I said:

⁷ [1999] FCA 1027 (1999), 45 IPR 169 and, on appeal, [1999] FCA 1821, (1999) 48 IPR 593.

⁸ *Estex Clothing Manufacturers Pty. Limited v. Ellis and Goldstein Limited*, 116 CLR 254 at 258

Here quite clear inferences may be separately or collectively drawn from the [opponent's] evidence in terms of my discussions under the headings *Trading Activities*, *Trade Marks' History* and *Cybersquatting* that the applicant does not intend to use the trade mark. The evidence from which these inferences can be drawn is unchallenged and unrebutted by the applicant who could have readily addressed them in its own evidence. The opponent's evidence is cogent, relevant and drawn from the records of ASIC, the Federal Court and of the Trade Marks Office. The evidence thus has a high provenance and credibility in a situation where, as Hearing Officer Williams, in the *Sapient* decision said, slight evidence should suffice to shift the onus onto the applicant and the applicant has not responded. I therefore accept the inferences in the opponent's evidence and I am satisfied that the applicant does not intend to use the trade mark. [parenthesis added]

59. *Phillip Morris Products SA v Sean Ngu* [2002] ATMO 96 (23 October 2002) was a case where the opponent's evidence showed that the opposed trade mark LONGFIELD 'bridged over' the two best selling trade marks for cigarettes in Australia (WINFIELD and LONG BEACH). The opponent's attorneys had written to Mr Ngu warning him he should address the ground under section 59 in evidence. Hearing Officer Jock McDonagh said:

Appended to Mr Williams' declaration is a copy of a letter that he sent to the applicant on 8 July 2002 by both courier and AR Registered Mail. This letter refers to Mr Williams' declaration and appends a copy of it, stating that the opponent intended to rely on it at the hearing. Mr Williams' declaration also exhibits a copy of a letter that the applicant sent by facsimile transmission to Spruson & Ferguson in which the applicant refers to:

* *Design for the packaging of Longfield tobacco products*

* *Market research to ensure that packaging does not create any false imitation of current products sold in the Australian market*

* *Meetings with the Australian Taxation Office applying for import, manufacturing and distribution licenses to wholesale and produce tobacco products in Australia*

* *Negotiations to produce plant and machinery*

* *Locating a suitable warehouse*

In Mr Williams' letter he requests that the applicant produce documentation at the hearing substantiating the above claims and states that if such documentation is not produced that his client would accordingly make submissions at the hearing in that connection.

60. Subsequently, Mr McDonagh said:

I consider that the evidence of Mr Williams goes very much to section 59 of the Act and should have put the applicant on notice that section 59 was an issue that would be addressed by the opponent at the hearing. The applicant,

in his letter to Spruson & Ferguson, above, made various allegations that he was preparing for use of the opposed trade mark. The purported preparations are ones which would be easy to substantiate via documentation of negotiations with the Australian Taxation Office, substantiation of the referred to market research and so on. For whatever reason, the applicant has, when pressed, not provided evidence to support his claims.

61. The reported cases have distinct essentials. In common between them there is, in the opponent's evidence, inferences of some element of lack of good faith intention in the application. In *Sapient*, it was the making of an application for purely strategic purposes – for no other reason than to thwart a perceived rival which was, in Mr Williams' words, “not supported by any genuine intention to commence bona fide commercial use” [Stress added]. In *Danjaq*, it was an apparent attempt at trade mark piracy. In *Ngu*, it was the ‘bridging over’ over two very well known trade marks.
62. In *Shanahan's Australian Law of Trade Marks and Passing Off 3rd Edition*, the authors make the point at page 31 that the intention to use a trade mark, mentioned in sections 17 and 92 should be bona fide. Whereas in section 17 a trade mark is defined as a sign intended to be used, in subsection 92(4) the requirement is that the intention to use should be in good faith. The two standards of intention were assimilated into one in *Ducker's Trade Mark* (1928) 45 RPC 397 and this was the course adopted by the Australian Courts in *Hunter Douglas Australia Pty Ltd v Perma Blinds* (1970) 122 CLR 49 at 58 and also in *Ritz Hotel Ltd v Charles of the Ritz Ltd* (1988) 95 FLR 418 at 460-461. The authors of *Shanahan's* argue that if it were otherwise, an application that was not made in good faith would be susceptible to expungement immediately on registration. I can see no reason why the intention to use a trade mark in section 59 should not be afforded the same interpretation – to do otherwise would appear to be at variance with the other sections of the Act which deal with ‘intention’ and their interpretation by the Australian Courts.
63. Alternatively put: as the Courts have interpreted section 17 such that the words ‘in good faith’ have been associated with the words ‘intended to be used’ used within that section, this should affect the interpretation of the similar words as they occur in section 59.
64. This analysis appears to be consistent with the Hearing Officers' approach to *Sapient*, *Danjaq* and *Ngu*.

65. An additional essential to the Registry cases is that, in each (*Sapient*, *Danjaq* and *Ngu*), the totality of the opponent's evidence put the applicant on notice that section 59 would be canvassed at the hearing. In two of the cases relied on by Mr Heerey, this occurred by the filing of further evidence directly addressing the issue.

66. Mr Skelly submitted that:

In *The Australian Cricket Board v. Lilyana Holdings Pty Ltd* [2002] ATMO 66 (8 August 2002) Geoff Purvis-Smith referred, with approval, to Ian Forno's decision in *Medley Distilling Co v. Croakers Gully Australia Pty Ltd* (2000) 53 IPR 430 where he stated "however, the mere filing of a Notice of Opposition containing a plethora of grounds which are unsupported by any evidence does not, in my view, effectively place the onus on an applicant to defend its application". He went on to state that the words in Section 55 "having regard to the extent (if any) to which any ground on which the application was opposed has been established" makes it clear that the onus is on the opponent to establish its grounds of opposition before there can be any onus on an applicant to refute it.

67. There is no evidence led by the opponent concerning the applicant's intentions to use the trade mark. The opponent's evidence does not go to the applicant's intentions at all. Instead, the opponent relies on its perceptions of the shortcomings in the applicant's evidence to attempt to establish its opposition. However, as Mr Skelly observed at the hearing, the applicant's evidence in answer is entirely responsive to the applicant's evidence in support. There was, submitted Mr Skelly, no suggestion in the opponent's evidence in support (or reply) of pursuit of a ground addressing a lack of intention to use the trade mark; there was thus no need for his client's evidence to address this.

68. I agree with Mr Skelly's submissions. An applicant's evidence is not evidence in answer to the Notice, it is evidence in answer to an opponent's evidence in support or reply. If an opponent does not file any evidence in support of its opposition there is nothing for an applicant to respond to and that opposition should not be established (notwithstanding the fact that a Notice has been served and filed). However, if the present opponent's evidence suggests anything, it is that the applicant does intend to use the trade mark, as evidenced in the brochures that Mr Creasey forwarded to Ms Waite and the meetings between Mr Creasey and the opponent's buyers. There is nothing, therefore, in the opponent's evidence in support, or reply, to alert the opponent that section 59 might be pressed.

69. In the light of the above considerations, absent any express statement in the applicant's evidence that it does not intend to use the trade mark in Australia, I am unwilling in the circumstances of these proceedings to read any inference into the applicant's evidence that it does not intend to use the opposed trade mark in relation to the goods covered by the application.
70. I would add that the Notice concentrated on a 'bad faith' ground – the Notice contained three paragraphs devoted to this ground which is not one expressly provided for under Part 5, Division 2 of the Act nor is it expressed as a part of the ground under section 59. The outline of submissions provided to me by Mr Skelly shows that he primarily prepared for submissions under section 43 and 'bad faith'.
71. Accordingly, I am not satisfied that the opponent has established its ground under section 59. There is no inference to be drawn from the evidence of either party that the trade mark was not adopted by the applicant in good faith. Indeed, not only are the goods different from (and completely unrelated to) those in which the opponent claims to have reputation, but the applicant adopted its trade mark in absolute ignorance of the opponent's trade mark – an ignorance shared by several of the opponent's own middle management personnel.
72. All of the applicant's actions appear have been consistent with a bona fide intention to use the trade mark, including negotiations with Australian traders, willingness to actively defend litigation, preparedness to consider settlement and initiate negotiations in this regard.
73. The deletion of the Class 25 goods from the application does not necessarily reflect the applicant's intention to use the trade mark in respect of Class 25 goods, (or the other goods which remain on the application) or its capacity to do so. Registration is not a 'holy grail' which enables traders to use trade marks: registration is one of the ways in which rights in a trade mark may arise – another way is through use. Deletion of goods from an application may be an action which reflects an applicant's decision to accrue (or continue to accrue) rights in respect of the deleted goods through use, rather than registration. A deletion, per se, thus says nothing about an applicant's actual intentions.

Deletion is thus not, as Mr Heerey argued it, an “abandonment”.⁹ Moreover, if it did constitute an abandonment, it would be so only in relation to the Class 25 goods which are not here opposed.

74. The applicant, it is true, has been ‘selling’ the concept of its trade marks – rather than using its trade marks on goods. There are three such ‘concept’ trade marks mentioned in evidence: OZARK, McBRIDES LANDING and HUNTERS LANDING. However, while Mr Heerey saw something sinister in this at the hearing, I am reminded that it was said in *Aston v Harley Manufacturing Co* (1960) 103 CLR 391 at 401 that a manufacturer should be able to register three trade marks while intending to use only two. The applicant is obviously not a manufacturer, but the difficulties of bringing concept trade marks to the market are, if anything, more complex. The applicant has chosen not to put all of its eggs in the one basket while undertaking considerable expense in bringing one or more of its concepts into fruition. That the applicant has not used the trade mark in relation to the goods of this application is entirely unremarkable – it has obviously made some efforts to license one or more of its trade marks within Australia and perhaps prudently may be awaiting the outcome of the various disputes with the opponent before further exploiting its ‘concept’¹⁰.
75. The opponent has not established its grounds under section 59.

Decision

76. Section 55 of the Act provides:

55. Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

- (a) to refuse to register the trade mark; or
 - (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;
- having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For *limitations* see section 6.

⁹ The law as to abandonment was reviewed by McGarvie J in *Riv-Oland Marble Co (Vic) Pty Ltd v Settef SpA* (1987) 10 IPR 402 at 421 - 422. McGarvie J states that "In my opinion title to a trade mark is lost at common law by intentional abandonment but not by mere non-use".

¹⁰ *Paintmaster Products v Lewis Berger & Sons* (1955) AOJP 1915 at 1921; *Ashry v El Hgar* (2001) 50 IPR 93.

77. The opposition has not been established on the grounds that it was argued and, for completeness, I note that the other grounds mentioned on the Notice have also not been established.
78. Subject to the opponent notifying the Registrar of an appeal against my decision within one month of the date of this decision, the application may proceed to registration. If such appeal is notified and not withdrawn, the application should be dealt with as the Court directs.

Costs

79. Both applicant and opponent sought their costs should they be successful in these proceedings. Costs may follow the event and I order costs against the opponent at the official scale.

Ian Thompson
Hearing Officer
Trade Marks Hearings
21 June 2004