



## TRADE MARKS ACT 1995

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

Re: Application by Nutrasense Pty Ltd for late extension of time to file Notice of Opposition to registration of trade mark application 814164(5) for the trade mark OPTIARTHRTICAID filed in the name of Peter Vanas

#### **Background**

On 18 November 1999 Mr Peter Vanas applied to register trade mark application 814164 consisting of the words OPTIARTHRTICAID in respect of "Capsules for arthritis pain" in class 5. The application was accepted for registration and advertised in the *Australian Official Journal of Trade Marks* of 24 August 2000. Any notice of opposition to registration of the mark, or application for extending the time for filing notice of opposition, pursuant to section 52 and regulation 5.1 of the *Trade Marks Act 1995* ('the Act') was therefore due by 24 November 2000.

On 17 January 2001 Nutrasense Pty Ltd ('Nutrasense') made a late application for an extension of time of three months in which to file notice of opposition. At the hearing, counsel for Nutrasense, referring to regulation 5.4(5), advanced that 60 days would be a reasonable period of time.

The extension application was based on the ground of "circumstances beyond the control of the person applying for the extension of time". A statutory declaration setting out the reasons for not making the application in time accompanied the declaration. That declaration is from Mary-Ann van Ballekom, of White Cleland, solicitors, and is dated 16 January 2001.

Ms van Ballekom states that in or about June 2000 Nutrasense became aware that another party was using the trade mark OPTIARTHRTICAID which Nutrasense regarded as infringing its registered trade marks, numbers 766226 and 810738. Throughout June and early July 2000 correspondence was entered into with that party and its legal representatives. This correspondence was continuing when administrators were appointed to Nutrasense on

17 July 2000. On appointment of the administrators, Ms van Ballekom's instructions were withdrawn. In December 2000 new owners from overseas took control of Nutrasense, and an Australian manager was appointed. On 1 January 2001 the Australian manager provided instructions via electronic mail to Ms van Ballekom to revive and review the matter. Because of her absence on leave, Ms van Ballekom did not read the instructions until 15 January 2001, whereon she conducted a search of the Trade Marks Register. Finding the subject trade mark had been accepted, she sought further instructions and subsequently filed a late application for an extension of time to file notice of opposition.

The extension application was duly considered by a senior examiner of trade marks who, by letter dated 19 January 2001, advised Nutrasense that it was her intention to refuse the application for the following reasons:

". . . I do not believe that the extension applicant has made out a case of circumstances beyond control, which is a *force majeure* provision. It appears that the cessation of instructions to you when Administrators were appointed was, rather, a commercial decision from which it now seeks to resile. On the facts before me, I do not see that there is any provision, under reg 5.2(2) (a), (b) or (c), whereby the applicant can claim a ground for the extension sought."

Nutrasense sought a hearing, and the matter came before me on 7 March 2001 in Canberra. Mr James Kewley of counsel made submissions by telephone on behalf of Nutrasense. Mr Vanas did not appear at the hearing. Written submissions were filed on his behalf by Tress Cocks Maddox, solicitors.

Although it has no bearing on the outcome of this matter, I must state here that following advice from the senior examiner of her intention to refuse the extension of time, Nutrasense filed a further application for extension on different grounds. Ms van Ballekom, on behalf of Nutrasense, requested that the second extension application should also be the subject of a hearing, and that both applications should be heard on the one occasion. In anticipation of this, Ms van Ballekom filed written submissions supporting the second extension application.

Prior to commencement of the hearing I advised Mr Kewley that I was prepared to listen to submissions on both extension applications, but would not be able to make a decision relating to the second extension until Mr Vanas had been given the opportunity to comment. Mr Kewley informed me that he intended only to make submissions in relation to the first extension application, and requested that the matter of the second extension be dealt with on a separate occasion, if indeed that should prove necessary.

## Submissions

The submissions of Tress Cocks Maddox on behalf of Mr Vanas ('the Vanas submissions') asked that the extension of time be rejected. To this end, the submissions relied on the argument that Nutrasense provided no evidence that the events giving rise to the failure to make the request for an extension of time were beyond its control. The submissions stated the ground relied upon by Nutrasense is essentially a *force majeure* provision and referred to *Atomic Skifabrik Alois Rohrmoser v The Registrar of Trade Marks* (1987) 7 IPR 551 ('*Atomic v Registrar*') which dealt with the equivalent provision under the *Trade Marks Act 1955*.

The submissions further contended that the decision of the administrator to withdraw instructions from Ms van Ballekom appears to be nothing other than a considered and deliberate decision. Referring to Section 437A and 437B of the Corporations Law, it was pointed out:

the administrator acted as an agent of the applicant,

the present applicant has at all times owned the business and the registered trade marks, and

the decision of the administrator was made for and on behalf of the current applicant.

The submissions concluded there are no facts and circumstances deposed to which constitute a *force majeure* or any "circumstance beyond the control" of Nutrasense. Costs were sought in the event that Mr Vanas is successful.

In both his written and oral submissions, Mr Kewley agreed with the Vanas submissions concerning the role of the administrator and the ramifications of section 437A and 437B of the Corporations Law. He argued, however, that although the corporate personality of Nutrasense remained the same, it is incorrect to say that there has been no change in the ownership of the business, and that the decision of the administrator was made for and on behalf of the current owner.

In late 2000 the administrator sold Nutrasense to Laboratories Arkopharma ('Arkopharma'). Scant evidence had been provided, he said, in respect of the transaction which led to Arkopharma gaining control of the company, but it was open to conclude that the ownership by way of directorship and shareholding changed. He suggested that if Nutrasense had been sold into Arkopharma, the identity of the applicant would have changed to Arkopharma.

Under those circumstances, the applicant could undoubtedly claim that the operations of Nutrasense during the time of administration were beyond its control.

He contended that the Vanas submissions appear to rely on the proposition that the mere fact of the continuous corporate "personality" of Nutrasense can be equated with "control" within the meaning of regulation 5.2(2)(c). Mr Kewley argued this ought not to be so and that a broader commercial and more pragmatic view should be taken of "person" and "control" within the meaning of that regulation. The commercial reality is, he said, that the people who currently have control of Nutrasense, that is Arkopharma, did not have control of affairs of the company, and did not have any influence, knowledge or control of the business operations during the period in which the administrator failed to file notice of opposition. Within the meaning of *Atomic v Registrar*, supra, the administrator was a stranger to the applicant as currently owned. For the reasons outlined, the failure to file notice of opposition within the required time was due to circumstances beyond the control of the current owners.

Referring to regulation 5.4(5), Mr Kewley asked that the Registrar consider 60 days as a reasonable period of time for the extension, should it be granted. He submitted that costs should follow the event.

## **Reasons**

The grounds upon which a person may apply for an extension of time within which to file Notice of Opposition are set out in regulation 5.2:

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

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

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

In this case the extension applicant has relied on ground (c). This ground was available to the applicant, as set out in subregulation 5.2(2)(c).

Regulation 5.4 relates to the granting of an extension of time:

**Extension of time for filing—grant of extension**

**5.4 (1)** Subject to subregulations (2) and (4), if the Registrar is reasonably satisfied as to the grounds set out in an application for an extension of time to file a notice of opposition, the Registrar must grant the extension of time.

**(2)** The Registrar must not grant the extension of time, unless the Registrar:

(a) is reasonably satisfied that the person applying for the extension of time has served a copy of the application, and the accompanying declaration, on the applicant for registration of the trade mark; and

(b) has given to both the person applying for the extension of time and the applicant for registration of the trade mark a reasonable opportunity to make representations concerning the application for extension of time.

**(3)** For the purposes of paragraph (2) (b), the representations may be made in writing or at a hearing or by such other means as the Registrar reasonably allows.

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

**(5)** An extension of time must be for such period:

(a) in the case of an extension of time that is granted on a ground set out in paragraphs 5.2 (2) (a), (b) and (c)—as the Registrar believes is reasonable; or

(b) in the case of an extension of time that is granted on a ground set out in paragraphs 5.2 (2) (d) and (e)—not exceeding 3 months as the Registrar believes is reasonable.

Accordingly, the Registrar must be reasonably satisfied as to the validity of the ground(s) set out in the extension application before allowing an extension of time. If the application has been made out of time, the Registrar must not grant the extension unless he or she is reasonably satisfied that there is sufficient reason for the application not being made before the end of the opposition period. Once the Registrar is satisfied that the ground and reason for late application have been made out, the Registrar must grant the extension.

Late applications for extensions of time to file notice of opposition were the subject of *Kimberly-Clark v Commissioner of Patents (No 3)* (1988) 13 IPR 569 (*Kimberly-Clark v Commissioner*) and *Crown & Andrews Pty Ltd v All American Fremantle International Inc* 38 IPR 595 (*Crown v All American*). The effect of those decisions is that there is a preliminary requirement for an applicant for a late extension of time to establish an intention to oppose during the statutory opposition period. The grounds relied on in both *Kimberly-*

*Clark v Commissioner* and *Crown v All American* were "error or omission" but it seems logical that I should follow the same line of reasoning here. For the extension of time to be justified, the extension applicant, Nutrasense, must demonstrate that it had formed an intention to oppose on or before the prescribed date, 24 November 2000, but that it had been prevented from doing so because of "circumstances beyond its control".

It is apparent from the statutory declaration of Ms van Ballekom that from about June 2000 Nutrasense was aware another party was using the trade mark OPTIARTHRITICAID and that it regarded such use as infringement of its registered trade marks. From June until July 2000 when the administrator was appointed and Ms van Ballekom's instructions were withdrawn, Nutrasense was corresponding with the owner and its solicitors. The nature of the correspondence between the parties has not been revealed. Nutrasense's intention during the four-month period of administration, from August to November 2000, when opposition was due, has not been addressed in any evidence before me.

While the evidence of Ms van Ballekom shows Nutrasense was aware of the existence of the trade mark OPTIARTHRITICAID, and was in the process of corresponding with Mr Vanas and his legal representatives, I consider it falls short of establishing that Nutrasense had formed a clear intention to oppose. I believe that it would be speculative on my part to conclude otherwise. Mr Kewley, in his submissions, does not address the question of intent in any way.

In the absence of sufficient evidence, I am unable to conclude that the extension applicant, Nutrasense, had formed a definite intention to oppose the Vanas application on or before the due date for filing notice of opposition.

I turn now to the reasons, which prevented notice of opposition being filed in time.

In *Atomic v Registrar*, supra, Jenkinson J outlined the scope of "circumstances beyond the control of the person concerned" as provided by paragraph 131 of the *Trade Marks Act 1955*. Those provisions are applicable to paragraph 5.2(2)(c) of the regulations of the *Trade Marks Act 1995*. At 558 he observed:

In the context in which it is found, the expression "circumstances beyond the control of the person concerned" does in my opinion designate - and designate only - occurrences which neither the person concerned nor any person acting on his behalf to do the act or take the step could prevent. The operations of nature and the activities of strangers may result in such occurrences. So, too, may the

acts and omissions of certain independent contractors engaged by the person concerned or by his agent, as for example the carrier of mail or the office cleaner, either of whom causes the loss or destruction of a document to be filed. But the acts or omissions of the agent who on behalf of the person concerned is to do the act or take the step are not occurrences of the description specified in s131(1)(a), in my opinion. Nor, in my opinion, are the acts or omissions of that agent's servants. The section is, I think, correctly described as a *force majeure* provision.

Administrators were appointed to Nutrasense on 17 July 2000 and it was not until December of the same year that the new owners took over the organisation. Therefore, from 24 August to 24 November 2000, the entire 3-month statutory period allowed for filing notice of opposition, Nutrasense was under the control of administrators.

The Vanas submissions argue that there is no basis for Nutrasense to rely upon regulation 5.2(2)(c) to seek an extension of time. There has been no change in the ownership of the business and the decision of the administrator was made for and on behalf of the current applicant. There are no facts and circumstances deposed which constitute a *force majeure* or any circumstance beyond the control of Nutrasense.

The main principle of Mr Kewley's argument is his contention that the identity of Nutrasense has changed. He agrees that from a Corporations Law point of view the identity of the applicant remained the same throughout and that the administrator is indeed an agent of the company. There is no dispute on this point. Notwithstanding this, Mr Kewley has asked that I take a more pragmatic view of the situation in making my decision. Although from a Corporations Law point of view the identity of the applicant remained the same, he says, the commercial reality is that at the time notice of opposition was due to be filed those who have current control of the organisation did not have control of the organisation. Therefore, the failure to file notice of opposition was due to circumstances beyond the control of the extension applicant. In essence, Mr Kewley asks that the Corporations Law viewpoint be set aside and replaced with an interpretation which is in line with commercial reality. It would, I consider, be drawing a very long bow to follow that line of reasoning. To take Mr Kewley's argument to its extreme, the identity of a company should be viewed differently each time a director or shareholder of that company changed.

It seems to me the Vanas submissions are correct, both in their interpretation of the identity of the extension applicant, Nutrasense, and in the role of the administrator. The identity of the owner has remained the same. Those in control of making business decisions on behalf

of Nutrasense have changed on more than one occasion, but the identity of the company has remained the same throughout the entire period in question.

As I have found the identity of Nutrasense has remained the same throughout the entire period in question, the remaining points put forward by Mr Kewley have no foundation. As pointed out by the Vanas submissions, section 437A(d) of the Corporations Law provides that the administrator may perform any function, and exercise any power, that the company or any of its officers could perform or exercise if the company were not under administration. It was, then, in the administrator's power to file notice of opposition within the time allowed for doing so. Whether it was a deliberate decision on behalf of the administrator not to oppose, or whether it failed to do so because of some other reason is not known. The fact remains, however, that the administrator as agent of the applicant did not file notice of opposition when it was within its power to do so.

The fact that notice of opposition was not filed may impede the commercial intentions of those currently charged with managing the business affairs of Nutrasense. They may wish to proceed differently. While I appreciate the situation may indeed be frustrating from their point of view, I must confine my consideration of this application to the narrower path. Nutrasense has applied for the extension of time on the ground of "circumstances beyond the control of the person concerned", which is, as described in *Atomic v Registrar*, supra, a *force majeure* provision. I cannot agree with the liberal interpretation of regulation 5.2(2)(c) and *Atomic v Registrar*, supra, that Mr Kewley has proffered. It does not, in my view, equate with the interpretation of "circumstances beyond the control of the person concerned" envisaged by Jenkinson J in *Atomic v Registrar*, supra.

Assuming I was persuaded to follow the pragmatic line of reasoning Mr Kewley suggested, I could not grant the extension of time unless I was of the opinion that the applicant (as currently owned) had formed an intention to oppose on, or prior to, the date prescribed for doing so. I believe it would not be possible for me to do so on the evidence presented.

In summary, I consider the identity of the extension applicant, Nutrasense, remained the same throughout the entire period in question, and that the administrator acted on behalf of Nutrasense.

I find that I am not reasonably satisfied that Nutrasense had formed a definite intention to oppose prior to, or on, the date notice of opposition was due, or that it has made out the

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ground of "circumstances beyond its control" relied on in its extension application. In the circumstances, I must refuse the application.

**Decision**

From the foregoing, I refuse the extension of time application filed on 17 January 2001 by Nutrasense.

**Costs**

Both parties have requested costs in this matter. As Mr Vanas has been successful, I award costs against the extension applicant, Nutrasense, in accord with the official scale.

F Aarnio  
Senior Examiner

29 March 2001