



## TRADE MARKS ACT 1995

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

Re: Application to revive lapsed trade mark application number 972725(18, 25) - **PAPER DOLL**- in the name of Cynthia Amaro.

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<b>DELEGATE:</b>	<b>Don Nancarrow</b>
<b>REPRESENTATION:</b>	<b>Decision on the written record – submissions from the applicant Ms. Cynthia Amaro.</b>
<b>DECISION:</b>	<b>s. 224(3) – extension of time – case for ‘special circumstances’ made out, relative inconvenience and public interest considered, extension of time allowed, trade mark revived with endorsement.</b>

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#### Background

1. Trade mark application number 972725 was filed on 2 October 2003 for the trade mark PAPER DOLL in respect of ‘bags’ in class 18 and ‘clothing, hats, clothing accessories’ in class 25 of the *International* (‘Nice’) *Classification of Goods and Services*.
2. Ms. Amaro, the applicant, prosecuted the application herself. During the course of examination another application, number 954975, was cited against this application. That trade mark was withdrawn on 10 March 2004. Thereafter, a minor problem with the statement of goods was resolved and the present application was advertised as accepted for registration on 16 June 2005. The opposition period ran until 16 September 2005 without incident. The last day for payment of the sealing fee was 16 December 2005 and this date was missed so that the application lapsed and was advertised as such in the *Australian Official Journal of Trade Marks* (‘the Journal’) of 19 January 2006.
3. On 16 October 2006 the applicant paid the sealing fee and filed an extension of time to be able to do so by means of a revival of the lapsed application under the provisions of section 224 of the *Trade Marks Act 1995* (‘the Act’). In a reply to this

request an Officer from the Trade Marks Administration area of IPAustralia, Mr. Malcolm Lomasney, informed the applicant in a letter of 24 October 2006 that he had checked the database of applications and registrations and found that another applicant had filed an application for the trade mark PAPER DOLL since the lapsing and commented that he intended to refuse the extension of time, unless Ms. Amaro applied to be heard in the matter within 28 days.

4. Ms. Amaro made the application to be heard and filed evidence to support her claims on 20 November 2006 and the matter has been directed to me for a decision on the written record.

### **Evidence and Submissions**

5. The application for an extension of time in which to pay the sealing fee was made under the provisions of sub-section 224(3) – the ‘special circumstances’ provision of this section.
6. Ms. Amaro provided documents and a copy of an affidavit that had been used for previous Court action concerning the PAPER DOLL trade mark. A further group of documents explained Ms. Amaro’s persistent physical health problems from a time late in 2004 until the present time.
7. From these written submissions it is apparent that Ms. Amaro had severe health problems that have necessitated hospitalisation on several occasions, with hospital reports from as early as 30 November 2004 and up until 14 November 2006. Medicines prescribed from February 2005 and a hospital document dated September 2005 show that this time period appears to be at the height of the difficulties.
8. A further factor from the evidence, with some relevance to my overall decision, concerns the withdrawal of application 954975, also for the trade mark PAPER DOLL, filed in the name of Stephanelle Pty Limited (‘Stephanelle’), the trade mark that had initially been cited against the present application. The evidence shows that the withdrawal followed Federal Court action taken by Ms. Amaro against Stephanelle. The Court orders were handed down on 19 November 2003 and Stephanelle ultimately withdrew their trade mark application on 10 March 2004 as a ‘flow-on’ effect of the Court orders.

9. The evidence also shows use of the trade mark PAPER DOLL by Ms. Amaro on clothing and associated designing services from as early as May 2001, although she claims use from an even earlier date – some time late in 2000.

### **The Law and Discussion**

10. The application for an extension of time that has been made here falls under section 224 of the Act. These provisions allow:

#### **Extension of time**

**224.(1)** If, because of an error or omission by a trade marks officer, a relevant act that is required by this Act to be done within a certain time is not, or cannot be, done within that time, the Registrar must extend the time for doing the act.

Note: For *trade marks officer* see section 6.

**(2)** If, because of:

- (a) an error or omission by the person concerned or by his or her agent; or
- (b) circumstances beyond the control of the person concerned;

a relevant act that is required by this Act to be done within a certain time is not, or cannot be, done within that time, the Registrar may, on application made by the person concerned in accordance with the regulations, extend the time for doing the act.

**(3)** If:

- (a) a relevant act that a person is required by this Act to do within a certain time is not, or cannot be, done within that time; and
- (b) on application made by that person in accordance with the regulations, the Registrar is of the opinion that special circumstances exist that justify an extension of that time;

the Registrar may extend the time for doing the act.

**(4)** The time allowed for doing a relevant act may be extended, whether before or after that time has expired.

**(5)** If an application is made under subsection (2) or (3) for an extension of time for more than 3 months, the Registrar must advertise the application in the *Official Journal*.

**(6)** A person may, as prescribed, oppose the granting of the application.

**(7)** An application may be made to the Administrative Appeals Tribunal for the review of a decision of the Registrar not to extend the time for the doing of an act.

**(8)** In this section:

**relevant act** means:

- (a) any act (other than a prescribed act) done in relation to a trade mark; or
- (b) the filing of any document (other than a prescribed document); or
- (c) any proceedings (other than court proceedings).

11. In the present matter the application was accepted prior to it lapsing. Section 37 of the Act deals with the lapsing of applications but finds no direct application in the present

instance. This is so because that section specifically applies to applications which have lapsed without being accepted. Thus, section 224 provides the framework on which this decision is based – and more specifically the provisions of sub-section 224(3).

**Assessment of Whether Case Made Out for ‘Special Circumstances’**

12. Sub-section 224(3) opens with the words ‘If: a relevant act that a person is required by this Act to do within a certain time is not, or cannot be, done within that time’. Sub-section 224(8) defines ‘relevant act’ as being an act (other than a prescribed act) done in relation to a trade mark. The list of prescribed acts is found at Regulation 21.28. The payment of the sealing fee is not found in the list of prescribed acts. Thus, the payment of that fee falls within the category of being a ‘relevant act’ and, therefore, an extension of time to do that act legitimately falls under the authority of sub-section 224(3).

13. The sub-section, therefore, sets out the approach to be taken when there is a request to revive the lapsed trade mark application by means of an application to extend the time for the payment of the sealing fee. It reads:

**(3) If:**

(a) a relevant act that a person is required by this Act to do within a certain time is not, or cannot be, done within that time; and

(b) on application made by that person in accordance with the regulations, the Registrar is of the opinion that special circumstances exist that justify an extension of that time;

the Registrar may extend the time for doing the act.

14. The ‘relevant act’ of payment of the sealing fee was not performed in time. Ms. Amaro has made an application ‘in accordance with the regulations’, claiming ‘special circumstances’ to have the time period extended.

15. The ‘special circumstances’ that Ms. Amaro claims concern her ill health that led to an inability to maintain a focus on the requirement to pay the sealing fee within the time allowed. This time period ran for six months from the date that the acceptance was advertised, that is from 16 June 2005 to 16 December 2005. The first three months of this time is the time period for opposing registration of the trade mark and it is commonly the case that applicants will wait until this period has elapsed before paying the sealing fee – in this instance that would equate to the preferred time for payment between 16 September 2005 and 16 December 2005. The first hospital report

in the evidence documenting Ms. Amaro's condition is dated 30 November 2004 and the last hospital report is dated 14 November 2006. During the entire six month time period that payment of the sealing fee would be normally accepted, it appears that Ms. Amaro was quite unwell. The nature of the illness, though personal, was extreme, with documents indicating that it could readily have escalated to become life-threatening. Given the extreme nature and timing of the illness I am of the opinion that Ms. Amaro has made out a case for consideration under the 'special circumstances' provisions of sub-section 224(3).

### **The Registrar's Discretion**

16. However, having established the ground of 'special circumstances' to justify an extension of time the sub-section concludes with the statement 'the Registrar may extend the time for doing the act'. Thus, although an applicant may show that the 'special circumstances' provision has been triggered there is still a discretion for the Registrar to either allow or disallow the extension of time.
17. The most obvious reason for the Registrar's discretion here is that although an applicant may demonstrate 'special circumstances' for an allowance of the extension of time, such an extension may bring about such a serious disadvantage to another party that, in all the circumstances, the extension will not be allowed.
18. In the present matter, Ms. Amaro was alerted to this possibility when she applied for the extension of time in the letter from Mr. Lomasney. This letter, in part states:
 

.. your trade mark lapsed on 16 December 2005. This was published in our on-line database of 4 January 2006 and also in our Journal of 19 January 2006.

Subsequently, another applicant lodged an application for the same trade mark on 5 March 2006. The other applicant has applied in good faith and would be seriously disadvantaged if your application were to be revived.

Accordingly, I do not think it appropriate to exercise the Registrar's discretion and allow your request for an extension of time.
19. This approach is as outlined in the *Australian Trade Marks Office Manual of Practice and Procedure* ('the Manual') in Part 18. Specifically, at Section 1.4 the notes read:
 

Lapsed applications can be revived under section 224 by way of a late application for extension of time if a case is justified, appropriate fees are paid and the revival will not disadvantage later applications (filed while application was lapsed).

20. This practice is long-standing. It was applied under the 1955 Act and has continued to be the norm. The basis for this Office practice is the underlying assumption that the balance of inconvenience in reviving the lapsed application weighs heavily in favour of the later applicant who has the pending application rather than the applicant whose application has lapsed.
21. In the present matter a number of issues need to be considered. In weighing up the matter all of the following factors, set out chronologically, come into play.
- ❖ The evidence shows that Ms. Amaro has used the PAPER DOLL trade mark on clothing and also in respect of clothing design services from at least as early as May 2001.
  - ❖ Application was first made (954975) for the PAPER DOLL trade mark with a specification of ‘clothing’ by Stephanelle Pty Ltd on 22 May 2003. (This application was cited against Ms. Amaro’s application).
  - ❖ Ms. Amaro’s application (972725) in respect of ‘clothing, hats, clothing accessories’ and ‘bags’ was filed on 2 October 2003.
  - ❖ Court orders (*Amaro & Amaro v Stephanelle Pty Ltd* FCA N1795 of 2003) issued on 19 November 2003 ultimately led to the withdrawal of application 954975 on 10 March 2004.
  - ❖ Ms. Amaro’s application was accepted for registration on 16 June 2005.
  - ❖ Ms. Amaro’s application lapsed for failure to pay the sealing fee on 16 December 2005.
  - ❖ Another application (1101906) for the PAPER DOLL trade mark was made by Ms. Rachel Griffiths in respect of ‘clothing and fashion designing’ on 5 March 2006. This is the application that Mr. Lomasney had identified as suffering possible disadvantage in his letter to Ms. Amaro.
  - ❖ Ms. Amaro filed another application in respect of ‘fashion design’ on 16 October 2006 – on the same day as she applied for the extension of time in the present matter.
22. Hearing Officer Claudia Murray considered a revival of a lapsed application in *Re: Application by Hall* (1998) 40 IPR 210. This decision provides an analysis of the application of section 224 and the exercise of the Registrar’s discretion. The

circumstances in that case were quite different from those in the present matter – except for one significant feature – that there was a later application that had been made that would be disadvantaged by revival of the application under consideration. The delegate comments at 219:

A general assumption is made that the likelihood of causing inconvenience to an unrelated third party by the revival is a consideration which is greater than the interests of an applicant, which has, after all, allowed its application to lapse.

23. Hearing Officer Murray also referred to the Office practice that I have also outlined above (quoted from Section 1.4 of Part 18 of the Manual). She comments concerning that matter at 219:

What I must consider here is whether, notwithstanding the reasons behind the adoption of the practice I have explained above, it is appropriate to apply a blanket practice which, in effect, bypasses the proper exercise of the Registrar's discretion.

24. Ms. Murray goes on to quote Deputy Registrar Helen Hardie where the Registrar's discretion was also an issue, in *Stadium Sports Franchising Pty Ltd v Stadium Australia Management Limited* (1997) 37 IPR 345, at 349:

Applications properly made according to the provisions of reg 5.2(3) must succeed or fail on a full assessment of the merits. They should not fail simply on the application of an Office practice.

25. Adopting principles that had been developed by Hearing Officer Michael Homann in *Re: Ausorb Pty Limited* (1996) 36 IPR 178, Hearing Officer Murray considered that the most important factors in coming to a 'fair and reasonable' decision in the matter included the relative inconvenience to the parties concerned and the public interest. I accept that these are the relevant criteria in the present matter.

**(a) *The Relative Inconvenience***

26. Either the applicant for the present application, Ms. Amaro, or the applicant for the later filed application, Ms. Griffiths, will be disadvantaged in some way by this decision. The relative inconvenience must be weighed according to the information before me.
27. From Ms. Griffiths perspective, her application will, at best, be temporarily denied registration and, at worst, fail to gain registration at all if I allow the extension of time. I will return to a more complete commentary on this point after a consideration of Ms. Amaro's position.

28. For Ms. Amaro, if I refuse the extension of time, this application will not gain registration, allowing Ms. Griffiths application to be accepted and almost certainly setting in train an opposition action (as Ms. Amaro has already been forced to do in relation to the Stephanelle application). The history of Ms. Amaro's use of the PAPER DOLL trade mark on 'clothing' (and on 'clothing design') shows use from May 2001, although if an opposition action were required Ms. Amaro may be able to substantiate an even earlier date – as she has claimed in her correspondence.
29. When Stephanelle gained acceptance of their application on 9 September 2003 for the PAPER DOLL trade mark (954975) any party could have opposed the registration and made a claim of ownership. Ms. Amaro did so. Ms. Griffiths did not. As matters turned out, Ms. Amaro took separate Court action that led to withdrawal of the Stephanelle application – and clearly indicated that Ms. Amaro had the greater claim to ownership of the trade mark. When Ms. Amaro's application was then accepted, it was still open for anyone to oppose that registration – but it went through its opposition period without incident. Ms. Amaro has used her trade mark continuously, although no doubt her illness has resulted in some variability in the volume of use, between 2001 and 2006. Certainly, the evidence shows that the trade mark has never been abandoned and Ms. Amaro has also demonstrated her on-going interest in the trade mark by the later application, in respect of services, made on 16 October 2006. To refuse to grant this extension of time and revive the application would quite definitely result in major inconvenience for Ms. Amaro, and also infer that I had chosen to disregard the result of the earlier Court judgement (and the opposition action) that Ms. Amaro had been forced to undertake to defend her claim to ownership of the trade mark.
30. Ms. Griffiths, as Mr. Lomasney observed in his letter to Ms. Amaro, 'has applied in good faith and would be seriously disadvantaged' if Ms. Amaro's application were to be revived. I agree in part with this comment. The 'serious disadvantage' that Mr. Lomasney has in mind concerns the fact that if Ms. Amaro's application is revived it will present a barrier to Ms. Griffiths application – as it will constitute a citable trade mark under section 44 of the Act.
31. What cannot be overlooked, however, is one factor that is critical to my weighing the relative inconvenience of the two parties. Stephanelle gained acceptance of its PAPER DOLL trade mark on 9 September 2003. The only party that opposed registration was

Ms. Amaro (together with her mother and business partner, Ms. Otilia Tomaz Amaro). Ultimately Stephanelle withdrew its application as a result of parallel Court action which cleared the way for the acceptance of Ms. Amaro's application. Had Ms. Amaro not taken action to prevent the registration, in either the Court or the Registry, then Stephanelle would have gained registration of the PAPER DOLL trade mark. The Stephanelle registration would then have provided a barrier to Ms. Griffiths later application. Thus, I do not see the inconvenience that Ms. Griffiths would suffer, if I do allow the revival, as being any greater than if Ms. Amaro had not taken action to prevent the Stephanelle registration.

32. Another factor concerning the 'relative inconvenience' that Ms. Griffiths would suffer has to do with the overall outcome of whether I allow or disallow the revival of the Amaro application.
33. If Ms. Amaro's application is not revived and Ms. Griffith's application reaches acceptance, it is highly likely that Ms. Amaro (as she has already done in the case of Stephanelle's application) will take opposition action. In these circumstances Ms. Griffiths would need to show use of the trade mark prior to the use of Ms. Amaro to substantiate ownership of the trade mark. Conversely, in the event that I do allow the revival, and Ms. Amaro's trade mark is registered, then the path to registration for Ms. Griffiths is no more difficult provided that she can show use of the trade mark prior to the use by Ms. Amaro. Ms. Griffiths would have the avenue of sub-section 44(4), the 'prior use' provisions, to initially gain acceptance of the trade mark and then still have to defend her ownership by showing her use was prior to Ms. Amaro's if (as I strongly suspect) an opposition action was mounted. Thus, whether or not I revive the Amaro application, the path to registration is quite likely to be much the same for Ms. Griffiths – via an opposition from Ms. Amaro.
34. My reading of the overall situation here is that the balance of inconvenience falls in Ms. Amaro's favour.

***(b) The Public Interest***

35. It has been well recognised that it is clearly desirable that the Register reflect the actual state of affairs in relation to ownership of trade marks, *Ausorb*, supra, at 183. A major function for the existence of the Register is to alert any interested party to the owner of a trade mark.

36. In the present matter, Ms. Amaro has demonstrated use of the PAPER DOLL trade mark from at least as early as May 2001 involving some relatively high profile fashion events and also by means of advertisements and articles in well known fashion magazines. Her claim to ownership has withstood a claim by Stephanelle in 2003 that Ms. Amaro pursued through the Courts. In addition, Ms. Amaro has achieved acceptance of the PAPER DOLL trade mark for registration in the present instance. She has also successfully 'sat out' the time allowed for possible opposition action, without incident. Given all of these factors, I am of the opinion that Ms. Amaro has gained the right to register the trade mark so as to inform the public of her ownership.
37. This course of action is not without an element of risk. The risk that I can see exists because this trade mark has already passed through its opposition period and the sealing fee has been paid, so, if I do allow the revival, the application will immediately proceed to registration without another opposition period. The real risk of misinformation on the Register concerning ownership here, however, is small. My reason for this assessment is that even if Ms. Griffiths can point to use prior to Ms. Amaro's evidenced use then it may still be possible for Ms. Amaro to look to the provisions of sub-section 44(3) of the Act to gain registration of any new application by means of honest concurrent use of the trade mark. Thus, I do not see the course of action in allowing the revival to make any significant impact on the Register that could not be obtained by other means, even if Ms. Griffiths can demonstrate her prior use, and thus ownership, of the trade mark.
38. If, on the other hand, Ms. Griffiths cannot show use of the trade mark prior to the use shown by Ms. Amaro then a trade mark acceptance would not be advantageous for her. It, almost certainly, would bring about an opposition action from Ms. Amaro and result in refusal to register the trade mark and an award of costs against her. In my view, it is in her best interests to clearly understand the claim that Ms. Amaro possesses.
39. My overall assessment of the public interest is that the Register should reflect the claim to ownership that Ms. Amaro has demonstrated. However, given the low risk that I have outlined above, the trade mark will be subject to the endorsement: 'This trade mark has been revived from a lapsed status under the provisions of section 224 after previously gaining acceptance and passing through the opposition period.'

**Advertisement of the Extension of Time Application – Regulation 21.26**

40. This application for an extension of time covers a time period of 10 months, from 16 December 2005 to 16 October 2006. For a length of time beyond three months, the application must be advertised for opposition purposes under the provisions of Regulation 21.26. Current Office practice is that this advertisement occurs as soon as practicable after the time that the application is received. This advertisement occurred in the Journal of 16 November 2006 and passed through the one month opposition period without any opposition being filed.

**Decision**

41. My decision, in relation to the extension of time application that has been made under section 224, is for me to exercise my discretion as a delegate of the Registrar in this matter, to grant the extension of time for the payment of the sealing fee and thereby revive trade mark application 972725. The trade mark is subject to the endorsement: ‘This trade mark has been revived from a lapsed status under the provisions of section 224 after previously gaining acceptance and passing through the opposition period.’ The consequence of the revival of this application (which had already been accepted and passed through opposition without incident) is that on payment of the sealing fee it may proceed immediately to registration.

Don Nancarrow  
Hearing Officer  
Trade Marks Hearings  
12 February 2007