TRADE MARKS ACT 1995

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

Re: Trade mark application number 978728(35) - **COMMAND STAFFING**- in the name of Command Staffing LLC.

DELEGATE:	**Rachel Dunn**
REPRESENTATION:	**Mr Lance Scott of Spruson & Ferguson Patent and Trade Mark Attorneys.**
DECISION:	**Section 38 – proposed revocation of acceptance – special circumstances of the case established – application revoked.**

Background

1. Command Staffing LLC, ('the applicant'), filed trade mark application number 978728 for the trade mark COMMAND STAFFING, for the services of *Employment agency services, temporary employment agency services, and franchising, including offering technical assistance in the establishment and operation of employment agency services and temporary employment agency services* in class 35 on 17 November 2003. In the examiner's first report which issued on 27 November 2003, pending application number 917995, for the trade mark STAFFING.COM.AU, was cited and no other objections were raised. The cited trade mark lapsed and the examiner accepted the application.

2. The acceptance was advertised in the *Australian Official Journal of Trade Marks* on 19 February 2004. On 16 March 2004, a principal examiner proposed that the acceptance should be revoked under the provisions of paragraph 38(1)(a) of the *Trade Marks Act 1995*, ('the Act'). The applicant was advised that revocation was proposed on the basis of an error or omission in the conduct of the examination of the application, in that the acceptance officer failed to give full consideration to all of the details of trade mark number 832807, depicted below.

3. The applicant invoked its right to be heard on the matter under the provisions of section 203 of the Act. The matter was heard by a delegate of the Registrar of Trade Marks in Sydney on 22 July 2004. The applicant was represented by Mr Lance Scott of Spruson & Ferguson, Patent and Trade Mark Attorneys. The Registrar's delegate determined that no error or omission in the course of examination had been established, and in a decision handed down on 27 August 2004 directed that the application proceed to registration providing the application was not opposed.

4. On 16 September 2004 the principal examiner advised the applicant that the initial revocation action had been reconsidered and that revocation under subsection 38(1)(b) was now proposed "because of the special circumstances of the case". These circumstances were said to show clear contravention of the requirements of section 44 in that the acceptance officer "chose to disregard the accepted authorities who have discussed and defined the tests for determining deceptive similarity such as *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 and *Berlei Hestia Industries Ltd v The Bali Company Inc,* 129 CLR 353."

5. The applicant again invoked its right to be heard in this matter, and the hearing was held before me in Sydney on 18 March 2005. The applicant was again represented by Mr Lance Scott of Spruson & Ferguson.

The Law

Revocation of acceptance

6. Paragraph 38(1)(b) of the Act provides that if, before a trade mark is registered, the Registrar is satisfied:

> that, in the special circumstances of the case, the trade mark should not be registered, or should be registered subject to conditions or limitations, or to additional or different conditions or limitations;
>
> the Registrar may revoke the acceptance of the application.

Submissions

7. Mr Scott firstly noted the existence of the applicant's sister mark, number 978727 for the plain word COMMAND covering the same services claimed by the subject application, and secondly noted the difference in its examination. Trade mark number 832807 for COMMAND RECRUITMENT GROUP and device had been cited against the applicant's mark for COMMAND, and the first report on that application issued 4 days before the first revocation letter in this matter. The two applications were handled by different examiners. (I note at this point that a third mark, number 978729 also owned by the applicant, for the words COMMAND LABOR has achieved registration, but its services are not in conflict with those of 832807). Mr Scott submitted that these facts pointed to little more than a mere difference of opinion between examiners and argued that this directly resulted in the principal examiner's first attempt at revocation. He submitted that this amounts to a reversal of opinion which cannot be said to constitute special circumstances, because if it did this would lead to paragraph 38(1)(a) completely losing any significance.

8. Mr Scott noted the dictionary definition of 'special' and thus construed that special circumstances may be defined as those that are different or distinct from what is ordinary or usual. He asserts that within the Trade Marks Office opinions differ, there is nothing special in that, and to say that an examiner did not apply the law correctly is nothing more than an ordinary difference of opinion.

9. Some guidance as to the meaning of special circumstances was noted by Mr Scott who pointed to the decision *Nike International Ltd* (2000) AIPC 91-645 wherein a delegate of the Registrar said:

> The phrase "special circumstances" where it appears in the Act, is generally given a liberal interpretation. That is, what constitutes "special circumstances" is determined on a case by case basis and there is no rigid demarcation between what circumstances are special and what circumstances are not. However, "special circumstances" is not intended to be a 'catch-all' phrase and the status of "special circumstances" must not be readily applied.

Mr Scott also referred to the use of the term special circumstances in other sections of the Act, particularly section 224 extensions of time for doing a relevant act.

10. The *Trade Marks Office Manual of Practice and Procedure* offers some guidelines and examples of what constitutes special circumstances in relation to sections 38 and 224 of the Act. Mr Scott submitted that these examples, which include death, bankruptcy, inadequate indexing and information not available in Trade Mark Office resources, show that special circumstances are only to be applied in rather exceptional situations which prevent a party from fulfilling a necessary task.

11. Finally Mr Scott submitted that even if it were found that special circumstances exist in this case that I should use my discretion and refuse to revoke the acceptance.

Discussion

12. Any action contemplated pursuant to section 38 of the Act must have regard to the fact that the Registrar has already accepted the application for registration. Any special circumstances must therefore be of sufficient weight to overturn this decision. Additionally, there is the prejudice that revocation places upon the applicant and the question of public interest to be considered in this matter.

13. In this case it is claimed that the examiner chose to disregard the accepted authorities who have discussed and defined the tests for determining deceptive similarity and that such disregard constitutes special circumstances due to clear contravention of section 44 of the Act. There is no argument about the construct of the defined tests for determining deceptive similarity and no question on how they should be applied in the course of examination. I consider that if the examiner *had* regarded the accepted tests when examining 978728 which claims recruitment and employment services, then registration 832807, which claims similar services, *would* have been raised as a citation:

14. The fact remains that the examiner placed the notation *mrksdiff* on the relevant extract of the case file, indicating that after consideration of the two trade marks an opinion was formed that they could co-exist. However, I believe that this conclusion is one

that cannot be supported by the accepted and defined tests for determining deceptive similarity. Furthermore, this matter is very clearly a long way from the borderline, with the apparent strength of the objection leaving little room for doubt or subjectivity, having regard to the material before the examiner and the undisputed authorities and tests which need to be applied during the course of examination.

15. This is not merely a difference of opinion between Trade Mark officers, a case where the examiner did not apply the law correctly, or a belief that the examiner's opinion was simply unsound. This is a case where the opinion formed by the examiner on the facts of the case is plainly untenable. The facts of the case were evidently before the examiner at the time of acceptance. The existence of registration 832807 and the details of that registration were extracted in the examiner's search. The case file shows that the examiner was capable of understanding and applying the provisions of subsection 44(2) as the first report included the citation of the then-pending application 917995. There was no logic in the examiner citing 917995 yet concluding that registration 832807 was sufficiently different. This opinion formed by the examiner is unjustifiable, and if it is allowed to stand may lead to a defective Register if the subject application proceeds to registration.

16. Whilst it is the work of a trade mark examiner to examine an application with the presumption of registrability in mind, to accept applications wherever appropriate, and to ultimately aid the registration of trade marks, there is also an obligation upon an examiner to reject an application if he or she is satisfied that valid grounds exist for rejecting it. There was no additional material before the examiner to show that these trade marks could co-exist and no material such as evidence of use or a letter of consent that could possibly outweigh the potential grounds for rejection pursuant to section 44, present at the time of acceptance. In the absence of such material I consider the ultimate decision of the examiner to be unreasonable.

17. Such an unreasonable exercise of power is lamentable and unusual. It is clearly a circumstance that is different or distinct from what is ordinary or usual practice. Special circumstances are something out of the ordinary and generally over and above any error or omission in the course of examination. However, errors or omissions are by their very nature special – it is not a common occurrence for an examiner with appropriate training and experience to commit actions which can be classified, in

terms of paragraph 38(1)(a), as errors or omissions. This said however, an error or omission in the course of examination *may* qualify as a special circumstance if it is manifestly wrong, clearly more than just a matter of opinion, and disregards established authorities.

18. The special circumstances provision in section 38 of the Act exists exactly for cases such as the subject application – clear cut examples of an apparent disregard for the accepted authorities and the defined tests that apply to trade mark examination, causing an entirely unreasonable exercise of delegation, having the final effect of potentially allowing two deceptively similar trade marks to co-exist on the Register.

Discretion

19. Section 38 does allow the Registrar discretion in the decision to revoke acceptance, even if a ground has been made out under subsection 38(1). The acceptance will stand, despite the existence of a ground, unless that discretion is exercised. In consideration of the use of discretion I may take into account any prejudice the applicant may face as a result of revocation, the public interest in the matter and any objections to the registration of the subject application.

20. The history of this case is regrettable. I note that the applicant's three COMMAND marks were filed on the same day, consist of clearly related trade marks and were allocated sequential application numbers, and observe that there is no apparent reason why these three applications were examined by different examiners. Additionally, the initial decision to revoke acceptance put the applicant to considerable expense and effort to defend what can only be seen as a defective attempt at revocation.

21. This is an unfortunate situation and one that must seem quite unfair to the applicant. However, I am not prepared to concede a great deal of prejudice in this case. When this application is re-tested in examination, the determination of the new examiner will proceed on an analysis of the issues on a reasonable basis – with regard to the accepted authorities and defined tests. Whilst there will always be a degree of prejudice to an applicant whose trade mark acceptance is revoked, there can be little prejudice involved in now putting the application to the sort of reasonable consideration it should have received in the first instance. Any unfairness the applicant feels it has faced cannot outweigh the fact that special circumstances exist in

this case and revocation is unavoidable if such an unreasonable exercise of the acceptance delegation is not to result in a poorly-based registration.

22. It is true that no opposition actions have been initiated and no complaints about the acceptance of the subject application have been lodged with the Registrar. The public interest is a primary concern in revocation cases and a delegate of the Registrar has previously used his discretion to allow a trade mark to take its place on the register despite finding a ground under paragraph 38(1)(a) made out. Hearing Officer Forno in *Application by Pacific Access Pty Ltd* (1993) 27 IPR 417 said:

> I think it is significant that no oppositions or other complaints have been lodged to the mark's registration. I therefore feel that this supports the view that the public interest, which is my primary concern, will not be harmed if the mark proceeds to take its place on the register. Any withdrawal of acceptance should not be proposed lightly and, while I have found that an "error" did occur, I do not agree that the applicant should be put to the further expense of prosecuting its application in the face of what do not appear to be strong objections to its acceptance. I think that the balance of convenience must lie with the applicant and the best course is to maintain the status quo by not withdrawing acceptance.

23. In revocation cases the public interest entails an appropriate balance of the interests of any potential objectors, the interests of the applicant and the principle that nobody's interests are served by a Register containing readily apparent aberrations. I believe this case differs from the Pacific Access matter, as here the public interest is best served not by maintaining a clearly unreasonable acceptance, which would result in a defective Register, but by returning the trade mark to the course of examination and allowing the applicant the normal opportunity to overcome any grounds for rejection that may be raised. I am not satisfied that it is appropriate to maintain the status quo and allow the trade mark to move to registration, and I decline to do so.

24. At this point I am also able to consider registration of this application subject to conditions or limitations, as prescribed in paragraph 38(1)(b). The applicant has never been asked to provide evidence of use to allow the provisions of either paragraph 44(3)(a) or subsection 44(4) to be applied, and no such material is before me now. As such, I cannot find either provision made out. Similarly, there is no material before me to make out a case for acceptance under paragraph 44(3)(b), and I

can see no viable conditions or limitations under which I could allow registration of the applicant's trade mark.

Decision

25. I find that the examiner in this case exercised a power so unreasonable that it constitutes special circumstances of the kind intended by paragraph 38(1)(b) of the Act. Due to these circumstances I find that the applicant's trade mark cannot proceed to registration. I therefore revoke acceptance of this application under the provisions of paragraph 38(1)(b) and direct that the application be referred to an examination section for re-examination.

Rachel Dunn
Senior Examiner
Trade Marks Hearings
30 June 2005