

TRADE MARKS ACT 1995

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

Re: Trade mark application numbers 988073 (**WEST COAST CHOPPERS**) and 988110 (**WEST COAST CHOPPERS and device**)- disputed application for extension of time to serve evidence in support.

DELEGATE:	Alison Windsor
REPRESENTATION:	Applicant: Matthew Swinn of Corrs Chambers Westgarth, Lawyers Opponent: Christopher Bolden of Bolden Lawyers
DECISION:	Extension of time to serve evidence in support granted.

Background

1. Jesse James (“James”) applied to register two trade marks, both incorporating the words WEST COAST CHOPPERS. The applications were examined in due course and, following some amendment to overcome a ground for rejection in respect of one conflicting trade mark, and the lapsing of another, were accepted for possible registration.
2. Nolmont Pty Ltd (“Nolmont”), the owner of the lapsed conflicting trade mark, filed a notice of opposition on 21 October 2005. The usual three month period for service of evidence in support ended on 21 January 2006 without any evidence being served or filed within the allowed time.
3. On 21 February 2006 Nolmont filed and served a request for an extension of time of three months in which to serve its evidence in support. The application was supported by a declaration made by Austin John Watson, director of Nolmont, on 15 February 2006.
4. Annotations on the opposition file in the Trade Marks Office show that there was an initial preparedness on the part of the officer handling the matter to allow the extension request. However, the usual practice within the office when a request of this nature is received, is to give the other party an opportunity to comment on the

matter. James' agents responded by letter dated 15 March 2006 objecting to the request.

5. In reply, Nolmont provided submissions and a statutory declaration from Christopher Bolden supporting the information provided in the Watson declaration and refuting some of the information submitted by James.
6. On 8 May 2006 the officer handling the matter wrote to both parties advising of his intention to refuse the extension request. His reason was that he was not satisfied that the extension was justifiable in view of the reasons provided in the accompanying declarations. Nolmont asked to be heard.
7. The hearing took place before me as delegate of the registrar on 8 June 2006 in Melbourne. Nolmont was represented by Mr Christopher Bolden of Bolden Lawyers, while Messrs Matthew Swinn and Joel Masterson of Corrs Chambers Westgarth appeared for James.

Concurrent court proceedings

8. This matter is somewhat complicated by the fact that the two parties are currently involved in proceedings in the Federal Court. The court proceedings were initiated by James, with Nolmont filing a cross claim. On 28 May 2006, just prior to this hearing, the Court issued an order giving leave for James to proceed against Nolmont. Another significant part of this order was leave for James to amend its application in the Court proceeding by inserting a new ground into its Details of Claim, namely a request for a declaration that James is the owner of the West Coast Choppers trade mark.
9. In addition, but separate to the court action, Nolmont was placed under external administration on 31 March 2005, and is subject to a deed of company arrangement¹, a matter which it regards as significant.
10. At this stage, the court proceedings are still ongoing. On 16 June 2006 Justice Ryan made particular orders to both parties in respect of requirements for provision of documents by October this year. Neither of the parties to this opposition have

requested the opposition be suspended because of the ongoing court matter. There has likewise been no order from the court that these proceedings be suspended. There does not appear to be any reason for these proceedings not to continue in the usual fashion.

Extension of time request

11. The Watson declaration submitted in support of Nolmont's request for an extension of time claimed negotiations were on foot between the parties, dating back to around October 2004, but had not been finalized. Mr Watson stated he has requested his agent, Bolden Lawyers, to commence preparation of evidence in support of the opposition, and expected the evidence would be able to be filed within 60 days of the date of his declaration. In a later paragraph, he stated that due to the lengthy period of use of the trade mark from 1993 to the present time and the volume of documentation necessary to go through in order to find relevant documents, the searches were taking longer than anticipated.
12. Neither the declaration nor the accompanying letter from Nolmont's agent (Mr Bolden) give a reason for the request being late. Mr Bolden's letter includes the following sentence: "I hereby make application on behalf of the Opponent to extend the time for serving Evidence in Support of the Oppositions to each of trade marks No. 988073 and 988110 pursuant to Regulation 5.15(1)(b) of the Trade Marks Act 1995, for a period of three (3) months ...".

Applicant's objection to request

13. Objections to the request for extension of time were provided in a lengthy letter and statutory declaration made by Stephen Stern of Corrs Chambers Westgarth, James' agents. The objections raised are summarized as follows:
 - The sections of the legislation and the regulations quoted as a basis for the extension of time request were incorrect;
 - Nolmont gave no adequate reason for its lateness in filing the extension request;
 - The repeated references to the Deed of Company arrangement and Nolmont's legal status and its lapsed trade mark are irrelevant to these proceedings;

¹ A Deed of Company Arrangement is a deed providing for the arrangement of a debtors affairs to provide for payment, in whole or part, of its debts. Nolmont Pty Ltd, while subject to the Deed, is currently under the control of the director of the company, Mr Watson.

- The settlement negotiations mentioned by Nolmont should be seen as not bona fide;
 - James does not consider Nolmont is making true attempts to gather evidence;
 - The parties have been in dispute in the Federal Court for over two years on the question of who owns of the trade mark and the court is the appropriate venue for the question to be decided.
 - James is suffering extreme prejudice as a result of continuing delays to the registration of its trade marks because it is unable to attack in a meaningful and effective manner a significant counterfeiting problem;
 - Allowing the extension of time will exacerbate their counterfeiting problem because counterfeiters will become aware of the lack of trade mark protection for the James trade marks
14. Then followed correspondence from both parties, refuting each other's claims, and giving their opinions on the relevance of the Court proceedings to the opposition proceedings on foot in the Trade Marks Office ("the Office"). I note James' agent has, throughout the time since the application for an extension of time was filed, written to the Office a number of times to advise that Nolmont has missed various deadlines mentioned in its own correspondence² and to advise of the progress of the court proceedings. Copies of these letters were provided to Nolmont as well.

Submissions

15. Rather than set out submissions in detail, I will refer to them as appropriate during my discussions later in the decision. What I will mention here is the information Nolmont provided to me at the Hearing. This information was provided with the consent of James who had already received it as part of the Court proceedings. The information consisted of a copy of a document to the Court in respect of the current action. The document is dated 26 May, and is accompanied by a number of examples which Nolmont claims demonstrate the trade mark in use. These examples, it says, demonstrate both its use of the trade marks and its continuing efforts to discover and provided relevant information in respect of the opposition. I was informed this material would be formally presented as evidence in the opposition proceedings if this disputed extension of time was allowed.

² For example, the Watson declaration, at paragraph 5 states "I expect that the evidence in support will be able to be filed within 60 days of the date of this declaration". The applicant wrote to the Office advising it that the 60 days had passed with no evidence being received.

Discussion and reasons

16. James raised the matter of whether the application was properly made, referring to incorrect references to the regulations governing extensions of time. I do not consider these errors to be of great import. The application for extension clearly says it is in respect of serving evidence in support. Quoting the incorrect regulation may be a sign of poor proofreading or a lack of understanding of the appropriate regulations, but I do not consider it is such an error that the application should be refused because of it.
17. In its submissions James set out the criteria to be applied when deciding whether an extension of time to serve evidence in an opposition should be allowed. The criteria quoted are as follows:
 - The amount of time so far allowed
 - The reasons put forward for needing the extension of time
 - The seriousness of the opposition
 - The relative inconvenience to the parties
 - The public interest.
18. Dealing with each of these in turn, this is the first request for an extension of time. It is well accepted that the statutory three month period allowed for serving evidence is rarely sufficient. Clear comments on the subject of extensions of time are given in the *Trade Marks Office Manual of Practice and Procedure*, Part 51 at paragraph 3.2:

The extent of the information needed in support of an application for an extension of time will rise with the passage of time. While all applicants are required to give a full explanation of why additional time is required, a simple letter with a recitation of basic facts will prima-facie be acceptable for a first extension. If subsequent extensions are sought, more detailed explanations are required and these may be required in declaratory form. If the application is made late, ie after the end of the time as so far allowed, a supporting declaration is required in all cases.
19. The reasons given for the evidence not being ready by the end of the statutory period are (in the absence of any controverting material) acceptable for a first request. Nolmont referred to negotiations between it and James, as well as describing the volume of documentation needing to be accessed before the evidence could be prepared for submission. While James is not satisfied with the negotiations to date, it is a fact that some activity has taken place between the parties. Until either party is prepared to say negotiations have completely broken down, and say so plainly to the other, the claim for negotiation can be taken at face value. Similarly, the claim that

insufficient time has elapsed for Nolmont to have discovered the paperwork it needs to make up the evidence, can be taken at face value.

20. However, since this first request was filed out of time, Nolmont needs to give sound reasons for the failure to meet the required deadline. As mentioned above, a statutory declaration is required to support a late request. Mr Watson provided a declaration, but his declaration is silent on the matter. Nolmont's submissions at the hearing, however, gave some indication of the reasons for the lateness of the request as follows:

The Opponent's solicitors advised the Opponent by letter in November 2005, shortly after filing the Notice of Opposition to the applicant's American Marks in this matter, that evidence in support of the opposition was required to be filed on or before 21 January 2006 and requested instructions and evidence from the Opponent in order that evidence in support of the opposition could be filed before that time.

The evidence in support of the opposition was not able to be prepared or filed within the time required for the reasons set out in paragraph 11 of the Bolden declaration³ made 18 April 2006, and as set out further in the Watson declaration made 15 February 2006, and the Opponent overlooked the requirement to seek an extension of time prior to the time for filing the evidence.

Due to confusion in obtaining instructions from the Opponent, and the intervention of the Christmas/New Year holiday period, the Opponent's solicitors made an error or omission in failing to correctly diarise the date for filing and serving evidence in support of the Opposition on or before 21 January 2006 and overlooked the need to make application for an extension of time prior to that time.

Due to:

- (a) the lengthy period of time of use of the Mark by the Opponent from 1993 to the present time and the volume of documentation necessary to search in order to seek that information and locate relevant documents;
- (b) the pressure of business;
- (c) ongoing confusion of the Opponent resulting from the administration of the Deed of Company Arrangement; and
- (d) the intervention of the Christmas/New Year holiday period,

the Opponent overlooked the need to provide instructions to the Opponent's solicitors to enable preparation and filing of evidence in support within time, or the filing of an application for an extension of time prior to making their application out of time in February 2006.

³ These reasons mirror those of the Watson declaration.

21. It appears to me that Nolmont is not a model of efficiency. Its director, despite having received control of the company from the administrators at the end of May 2005 is **still** claiming there is confusion surrounding the company management and operation. Undoubtedly this continuing confusion is highly likely to have a deleterious effect on the company, and its ability to deal with its creditors in the long run, but, for the purpose of this proceeding, I do not consider it should necessarily be fatal to Nolmont's attempts to extend the time in which to provide its evidence in support.
22. Nolmont's agent has stated that he failed to correctly diarise the date for serving the evidence, and overlooked the requirement to apply for an extension within time. Simply overlooking a requirement could be sufficient ground to support a request for extension if the surrounding circumstances were made clear. In this case, that clarity is lacking and the information I do have is not sworn evidence. I am therefore not prepared to give it as much weight as I would do if it had been made in a declaration, and if suitable evidence of, for example, an incorrect diary entry, had been provided to me.
23. James has made it abundantly clear that it does not consider this opposition to be a serious opposition, citing delays in providing evidence and various unsatisfactory contacts between the parties prior to these proceedings. Nolmont appears to have been less than diligent in its endeavours to find supporting documentation to back up its case. However, the fact that it was prepared to be heard on the matter before me now suggests it does have an ongoing interest in the proceedings. Nolmont had the opportunity to withdraw completely by accepting the office decision that the extension request should not be allowed. By choosing to be heard on the matter, it has demonstrated at least some continuing interest in the opposition proceedings.
24. James claims it is suffering significant inconvenience because its lack of a registered trade mark does not allow it to efficiently prosecute people counterfeiting its goods and thus the extension of time should be disallowed. This would end the opposition proceedings, allowing James' trade marks to proceed to registration. On the other hand, if, as it claims, Nolmont has been using its trade mark in Australia since 1993, it has a strong claim to ownership of the trade mark, and ending opposition proceedings would prevent it from demonstrating this claim.

25. I consider it likely that Nolmont would suffer the greater inconvenience if it were not allowed the opportunity to back up its claims of use in these opposition proceedings. Were I to refuse the extension and James' trade marks became registered, the only avenue then for Nolmont would be through the courts. I am aware the parties are involved in a court action at the moment, and I am aware the issue of who owns the trade mark forms part of these proceedings. However, I am prepared at this stage to allow Nolmont to support its claims in this forum, subject to it demonstrating serious diligence in preparing and submitting the evidence required.
26. I also consider it to be in the public interest for the question of ownership of the trade marks subject of this opposition to be decided expeditiously. Both parties are claiming they own the trade marks. Nolmont claims it has over 10 years of use in the Australian market, the applicant claims somewhat less. The applicant claims Nolmont is counterfeiting its goods. If the public is not to be confused over ownership of these particular goods, the matter of the rights in the trade mark need to be clarified.
27. Over all, given this is the first request Nolmont has made for an extension of time to serve its evidence in support, I consider there are just sufficient reasons provided in the information put before me for me to be satisfied it is appropriate to allow this request.
28. I therefore allow the extension of time until 21 April 2006.

Future extensions of time

29. It should be noted here that at the time of the hearing of this disputed extension of time, the evidence was again overdue. Nolmont has not explained why this is so, and this failure is consistent with Nolmont's observable lack of diligence. Nolmont should take this as notice that any further application for an extension of time will need to be supported either by the filing of the completed evidence or by a declaration that is specific about the amount of time that has been put into locating relevant evidence, on what dates that effort was put in, the evidence located and the number of hours of searching time that might remain.

Alison Windsor
Hearings Officer
Trade Marks Hearings
IP Australia

12 July 2006