

TRADE MARKS ACT 1995

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

Re: Opposition by San Pellegrino SPA to protection of international registrations designating Australia 993474, 995691 (International Registrations 819471 and 820372 respectively) - **SAN PELLEGRINO; SAN PELLEGRINO BIOCOMPLEX** - in the name of CSP International Industria Calsze SPA.

DELEGATE:	Terry Williams
REPRESENTATION:	Opponent: Peter Hallett, of Griffith Hack, patent attorney Holder: Unrepresented and did not appear or file written submissions
DECISION:	Regulation 17A.29 opposition: Overseas contract - grounds under section 42(b) and 58 established – protection refused.

Background

1. CSP International Industria Calsze SPA ('the holder') has requested protection in Australia for the following international registrations designating Australia ('IRDAs'). The international registration numbers are 819471 and 820372 and the IRDAs have been given the Australian application numbers set out below with their respective particulars

Application Number:	993474	995691
Priority Date (reg 17A.3):	15.12.03	23.12.03
Trade Mark:	SANPELLEGRINO	SANPELLEGRINO BIOCOMPLEX
Goods:	(class 25) Hosiery; stockings; skin-tight stockings; tights; pantyhose	(class 10) Orthopedic hosiery and hosiery for medical use; orthopaedic stockings and stockings for medical use; orthopaedic skin-tight stockings and skin-tight stockings for medical use; orthopedic tights and tights for medical use; orthopedic pantyhoses and pantyhoses for medical use (class 25) Hosiery; stockings; skin-tight stockings; tights; Pantyhoses

2. Protection of these trade marks in Australia is opposed by San Pellegrino SPA ("the opponent").

Madrid Protocol – Opposition framework

3. Section 189A of the *Trade Marks Act 1995* (“the Act”) empowers the more detailed workings of the regulations giving effect to Australia’s obligations under the Madrid Protocol. Regulation 17A of the *Trade Mark Regulations 1995* is the most obvious consequence of these. Reg 17A.29 provides for opposition to the extension of protection in Australia to a trade mark that is the subject of the IRDA. Regulation 17A.31 makes provision for the adaptation of the grounds of opposition set out in the Act. These include sections 39 to 44 of the Act (by virtue of 17A.31(1) and 17A.28(1)), and sections 58 to 61 of the Act (by virtue of 17A.31(3)).
4. Further realignment of the terminology of the Act comes from reg 17A.28(2) and 17A.31(3):

Where the relevant section refers to an “application” an IRDA is to be understood; and

Where an “applicant” is referred to, the holder of the IRDA is to be understood.

5. Finally, regulation 17A.34(1) provides:
 - Unless the opposition proceedings are discontinued or dismissed, the Registrar must decide:
 - (a) to refuse protection in respect of all of the goods or services listed in the IRDA; or
 - (b) to extend protection in respect of some or all of the goods or services listed in the IRDA (with or without conditions or limitations);
 having regard to the extent (if any) to which any ground on which the IRDA was opposed has been established.
6. Within that broad framework other, and perhaps more familiar, parts of the Trade Mark Regulations are imported by reg 17A.33, which provides:
 - (1) The Registrar must give to the opponent and to the holder of the IRDA an opportunity of being heard on the opposition.
 - (2) Regulations 5.7 to 5.17 apply, with the necessary modifications, for the purposes of the opposition.
 - (3) Despite subregulations (1) and (2), a requirement to serve a document on the holder, or to give the holder an opportunity to make written representations or to be heard, does not apply unless, within 3 months after the notice of opposition is filed, the holder has notified the Registrar, in writing, of the holder’s address for service in Australia.

Evidence and hearing

7. The opponent relies on evidence in support of the opposition. The bulk of this goes to use of the trade marks SAN PELLEGRINO and S PELLEGRINO in respect of bottled mineral waters. More significant, in my view, is a copy of a contract between the holder and the opponent, and a translation thereof. There is also some further evidence introduced by my permission under regulation 5.15.
8. The holder of the trade mark does not have an address for service in Australia. It did not file or serve evidence in answer, despite being both notified of the opposition and given a due opportunity to do this. I was assigned to hear the opponent, San Pellegrino SPA, in order to decide the opposition. At the hearing, the opponent was represented by Peter Hallett, a patent attorney of the attorney firm of Griffith Hack. The holder was informed of the hearing but neither appeared nor filed written submissions.

Grounds considered

9. Mr Hallett argued that an existing contract disposed of the holder's claim to ownership (s 58) and ensured that use of the subject trade mark by the holder would be contrary to law (s 42), and that, in any case, the opponent's use and reputation in Australia was such that any use here by the holder would cause confusion (s 60).
10. It is not overly clear to me that the opponent's ground under s 60 would have succeeded but I make no finding on that issue. In my view, the grounds under s 42 and 58 are clear and unavoidable and it is to them that I turn. On the facts of this case, the distinction between issues of contrariety to law and ownership is moot. If certain matters flowing from a contract between the parties can be established, then the opponent is entitled to claim that use of the trade marks in Australia by the holder would be unlawful. *Ipsa facto*, the holder could not be the owner in this country.
11. At the heart of this matter is a contract that appears to have been drawn up to end dispute between the parties by carving up the world into territories with respect to trade mark usages. The contract was made in 1993, in Italy, where the two disputing parties are apparently incorporated and where both of them have addresses. It appears

to be a valid agreement¹ under the laws of Italy. One result of the carve-up is that, outside ‘the European Countries as well as Turkey and Israel’...‘the Parties acknowledge that the trademarks “SANPELLEGRINO”, “SAN PELLEGRINO”, “S. PELLEGRINO” and “PELLEGRINO” are the exclusive property of (the opponent). Therefore (the holder) may not use the above mentioned trade trademarks to distinguish goods made by (the holder)’.

12. The effect of law in general on the positions of the parties has been well traversed at the Trade Marks Office since the decision of Madgwick J in *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd*.² At the hearing, Mr Hallett argued firstly that s 42 and s 58 must involve recourse to contract law as well as to statute law. He noted *Inventions Marketing Pty Ltd v Aqualoc Pty Ltd*³ where Hearing Officer Thompson noted:

Subsection 42(b) provides a ground of opposition to registration of a trade mark which may be established if an opponent's evidence satisfies the Hearing Officer that the use of the opposed trade mark would be contrary to law. Thus, subparagraph 42(b) may bring into consideration the contractual relations that might have, in law, existed between the parties. If, for example, the evidence clearly showed that one of the parties had agreed not to use the trade mark, or to transfer the ownership of the trade mark on expiration of a contract, its continued use or ownership of the trade mark could be caught by the provisions of subparagraph 42(b).

13. Mr Hallett went further and argued strongly that a clear-cut breach, when occurring in Australia, of a contract entered into elsewhere is something that would be remediable under Australian law. Accordingly, a usage that would be in breach of a contract under foreign law would be, in an appropriate case, contrary also to Australian law. He referred me to a well-recognised textbook, *Conflict of Laws in Australia, 7th Edition*⁴. Chapter 19 of this deals with the enforcement of contracts. Mr Hallett noted that *United Parcels Services of America Inc v UTS Europe BV*⁵ had been determined without any reference to the concepts which the authors of the textbook describe as private international law. Mr Hallett’s observation is also consistent with

¹ I note both that the contract is a relatively simple and straightforward one and that there is uncontested further evidence of the opponent on the enforceability question, a declaration by a lawyer qualified under Italian law. I also note that there is evidence that the opponent has instigated proceedings in Italy against the holder for breaching the agreement.

² [2001] FCA 683

³ 2002 ATMO 57

⁴ P E Nygh and Martin Davies, LexisNexis Butterworths 2002.

⁵ [2003] ATMO 33.

the more recent decision in *United Parcel Service of America Inc v United Air Lines Inc*⁶.

14. No doubt questions of contract law, particularly those arising under contracts made under foreign law, will be a contentious field. There will be many situations where a delegate of the Registrar of Trade Marks, particularly with the assistance of countering evidence or submissions from an applicant or holder, would hesitate to say that the usage claimed was one that “would, not could”⁷ be contrary to law. The present situation, however, is not one of them.
15. In the lack of any response at all from the holder, I am satisfied that the holder is not the owner of the trade mark SANPELLEGRINO in Australia and that use of the trade marks the subject of the IRDAs would be contrary to law. The grounds of opposition under sections 42 and 58 are established.

Conclusion and costs

16. In terms of reg 17A.34(1), to which I have previously referred, I refuse to extend protection to the trade marks in Australia in respect of all goods listed in the IRDAs. I order the holder to pay the costs of the opponent to the limit of the scale.

Terry Williams
Hearing Officer
Trade Marks Hearings
30 November 2006

⁶ [2006] ATMO 46

⁷ *Advantage*, supra, at 28: