

Woolworths Ltd v BP plc [2006] FCAFC 52

FEDERAL COURT OF AUSTRALIA

BLACK CJ, SUNDBERG AND BENNETT JJ

BLACK CJ:

1 This is an application by Woolworths Ltd (Woolworths) for leave to appeal against a judgment of a single judge of the Court made in the exercise of the Court’s jurisdiction to hear and determine appeals from decisions of the Registrar of Trade Marks. Except with the leave of the Court, an appeal does not lie to the Full Court against a judgment of a single judge of the Court in the exercise of that jurisdiction: *Trade Marks Act 1995* (Cth), s 195(2) (the Act).

2 The application was heard on the footing that, if the Court considered that leave to appeal should be granted and that it was otherwise appropriate to do so, the appeal would be heard *instanter*. During the hearing it soon became apparent that the submissions made by the parties on the leave aspects required detailed consideration and argument and consequently the Court heard only the application for leave to appeal. These reasons, therefore, relate only to that application.

3 BP plc (BP), the applicant before the primary judge and the respondent before us, made two applications for the registration of trade marks, each relating to the use of the colour green in respect of certain goods and services in particular classes. Each was refused by the delegate of the Registrar who found that the marks were not capable of distinguishing BP’s goods and services: (2000) 52 IPR 192. BP then appealed to a single judge of the Court as provided for by s 56 of the Act.

4 The primary judge allowed BP’s appeal and ordered that “the ... applications proceed to registration”: (2004) 212 ALR 79; (2004) 62 IPR 545; [2004] FCA 1362. The orders were made on 1 December 2004. On 16 December 2004, Woolworths filed its application for leave to appeal. The subsequent course of events appears to be common ground. The Registrar advised the parties that she intended to register the marks in accordance with the primary judge’s order, notwithstanding the extant application for leave. There was

correspondence between the parties and the Registrar, in the course of which the Registrar made specific reference to O 52, r 17 of the Federal Court Rules which provides that an appeal does not operate as a stay. It seems that Woolworths nevertheless formed the view that because an application for leave to appeal had been filed the Registrar was not obliged to proceed with the registration of the marks. An application for a stay was foreshadowed, but no such application was in fact made and the marks were eventually registered on 17 February 2005, more than two months after the primary judge's order that the marks proceed to registration and more than three months after the delivery of his Honour's reasons.

5 BP contends that in these circumstances, and without the Court considering the judgment from which it is sought to appeal, leave to appeal should be refused because any appeal would be a "nullity". It contends that since the marks have been regularly registered in accordance with orders of the Court and with the scheme of the Act, they can only be removed as provided for by Parts 8 and 9 of the Act. These parts are headed respectively "Amendment and cancellation of registration" and "Removal of trade mark from Register for non-use". BP argues that the fact of registration has removed the subject matter of what were opposition proceedings and that even if Woolworths could otherwise make out a case on appeal the Court would be unable to make any orders to rectify the register. An appeal would therefore be futile. Alternatively, BP contends that if the Court does have the power to rectify the register in the present circumstances, the application for leave to appeal should be refused on discretionary grounds, because the power to rectify should not be exercised in the present case.

6 Section 68(1)(b) of the Act provides that

The Registrar must, within the period provided under the regulations, register a trade mark that has been accepted for registration:

...
(b) *if there has been an opposition – if the Registrar's decision, or (in the case of an appeal against the Registrar's decision) the decision on appeal, is that the trade mark should be registered.*

The parties disputed the construction of the phrase "an appeal against the Registrar's decision". BP argued that s 68(1)(b) required the Registrar to register the marks in accordance with the primary judge's orders, irrespective of any actual or foreshadowed application for leave to appeal. Woolworths responded that a narrow construction of this nature could not have been intended since, apart from anything else, an unsuccessful

opponent would be denied the opportunity to apply for leave to appeal whilst an unsuccessful applicant would have such an opportunity. It contended that, on its proper construction, s 68 extends beyond an appeal against a decision of the Registrar to all subsequent appeals and including, necessarily, applications for leave to appeal.

7 The purpose of s 68 is evidently to promote the efficient and timely processing of applications for registration. Importantly, though, the obligation imposed upon the Registrar to register is qualified by reference to any period that may be prescribed under the regulations. The Act does not contemplate that the regulations will impose a requirement for immediate registration; rather, it contemplates that the regulations will provide for some interval – in the language of s 68 “a period” – after the decision referred to in s 68(1)(b). This qualification together with the undoubted right of a party to apply (in a timely manner) for a stay to preserve the subject matter of a proposed application for leave to appeal seems to me to answer the point made by Woolworths. Moreover, the language of the Act points to a distinction between “an appeal against the Registrar’s decision” (the statutory phrase used in s 68(1)(b) and also in ss 35, 56, 67, 83(2), 104, 191(2), 195(2), 196, 197) and “an appeal...to the Full Court of the Federal Court against a judgment or order of a single judge” (the statutory phrase used in s 195(2), which is employed to distinguish that “appeal” from an appeal against a decision of the Registrar). I see no reason to read s 68(1)(b) to operate to delay the obligation to register beyond the determination of the appeal as of right from the decision of the Registrar to the Court. The provision does not, in terms or by implication, extend to the uncertain and exceptional process of leave and possible subsequent appeal in the Court’s appellate jurisdiction.

8 I do not accept, therefore, that on the proper construction of s 68, the Registrar’s obligation to register was delayed pending the possible filing and determination of an application for leave to appeal against the decision of the primary judge and pending the outcome of any appeal if leave were granted. Whether in the present circumstances the Registrar was under an obligation to register within a particular time by reason of the operation of s 68(1) would therefore depend upon the relevant “period” provided for by the Regulations. The length of this period was not the subject of submissions by either of the parties and it is not clear whether, in the circumstances of the present case, there was in fact any operative period at all (see Trade Marks Regulations 1995, reg 7.1). If such was indeed the position here, the Registrar’s duty must be taken to have been to register within a

reasonable time, subject of course to the overriding requirements of any judicial order.

9 Whatever the effect of s 68(1) and the relevant regulations in imposing an outer time limit for registration the Registrar was correct, as a matter of law, in acting in accordance with the order of the primary judge that the applications proceed to registration, there being no application for a stay of that order or any other impediment to registration. Indeed, it was not suggested otherwise.

10 The marks having been regularly entered in the register, the next question is whether, as contended by BP, the only mechanisms for their removal are those provided for by Parts 8 and 9 of the Act.

11 The fact that Parts 8 and 9 contain detailed and comprehensive provisions for the removal or cancellation of marks in specified circumstances is suggestive of the conclusion that removal or cancellation in other circumstances was not intended. Thus s 73, which bears the heading “Ceasing of registration”, provides that

The registration of a trade mark ceases if:

- (a) *the trade mark is removed from the Register under section 78 or 80F or under Part 9; or*
- (b) *the registration of the trade mark is cancelled.*

The Court’s powers of cancellation are contained in Division 2 of Part 8. Sections 86 and 87 confer the power to cancel the registration of a mark in particular circumstances. Section 88, whose section heading refers to “other specified grounds”, provides in sub-s (2) that an application for cancellation pursuant to that section “may be made on any of the following grounds, *and on no other grounds.*” This also points towards the removal and cancellation of a mark as being permitted only under the provisions of Parts 8 and 9.

12 Woolworths submitted that the Court has additional powers, sourced variously in the combination of ss 81, 84(1), 85, 197(e) of the Act and s 28(1)(b) of the *Federal Court Act of Australia 1976* (Cth), to make orders to rectify the register by cancelling the marks.

13 I agree with the reasons of Sundberg and Bennett JJ that s 81, which permits the correction of any error or omission in the entry of “any particular”, cannot be utilised to

cancel the registration of a mark but I do not agree that the register could be rectified by removing or cancelling the registration of the marks pursuant to s 84(1) or s 85(b). Section 84(1) provides a statutory mechanism for the registered owner voluntarily to request cancellation of the mark. In my view it would not accord with the statutory scheme to use a mandatory order to compel an unwilling registered owner to use that section to effect cancellation of the mark. Finally, the reference in s 85(b) to “correcting any error in an entry in the Register” strongly suggests that Parliament intended that the mark would remain on the register after “correction”. It does not suggest that “correction” could effect “cancellation”. Woolworths cannot avail itself of that paragraph.

14 Consistently with the construction of the phrase “an appeal against the Registrar’s decision” that I adopt, I consider that the powers referred to in s 197 of the Act are not available to the Court in the exercise of its appellate jurisdiction; those powers are exercisable in the Court’s original jurisdiction “on hearing an appeal against a decision or direction of the Registrar”. Although Pt 18 of the Act refers to an “appeal” against a decision of the Registrar, in truth the proceeding by way of appeal is within the Court’s original jurisdiction, not its appellate jurisdiction (see *Soncini v Registrar of Trade Marks* (2001) 109 FCR 548 and the cases cited by Sackville J at [7]). The nature of the proceeding in the original jurisdiction of the Court on “appeal” against a decision of the Registrar explains why s 197(a) confers a power to admit further evidence and why s 197(b) permits the examination and cross-examination of witnesses, including the witnesses who gave evidence before the Registrar. Because it has a different purpose, s 197 is much broader in terms than the general provisions of s 28 of the *Federal Court of Australia Act* concerning the exercise of the appellate jurisdiction of the Court and the rather different, and much more limited, provisions of s 27 of the *Federal Court of Australia Act* relating to the discretionary power to receive further evidence in an appeal. Although I would not foreclose the possibility that the Court’s powers under s 28(1)(b) of the *Federal Court of Australia Act* may be wide enough to found an order that the register be rectified by the cancellation or removal of a mark lawfully entered, the scheme of the Act suggests that the exercise of such a power should be reserved for an exceptional case. As Brennan J (as he then was) said in *Johns v Australian Securities Commission* (1993) 178 CLR 408 at 433 of a somewhat similar power, the relief that may be ordered under such a provision is not at large.

15 Accepting, for present purposes, that the power conferred by s 28(1)(b) could extend

to the rectification of the register by cancellation or removal, I am not persuaded that leave to appeal should be granted on the supposition that the power should properly be exercised in Woolworth's favour. In my view, the Court should withhold relief on discretionary grounds (assuming that Woolworths could otherwise make out its case on the appeal).

16 The Act and the Trade Marks Regulations 1995 provide mechanisms that allow for the appellate process to take its course whilst also preserving the integrity of the register. Woolworths had, at the least, three opportunities to protect its interests. In the first place, it could have utilised s 68 of the Act and reg 7.1(2) of the Regulations to have the Court specify a later date by which the Registrar must register the mark. That later date could have been specified in such a manner as to account for the outcome of any application for leave to appeal. Second, the primary judge invited the parties to make submissions as to the appropriate form of orders to be made in light of his Honour's reasons of 25 October 2004. The applicant, it seems to me, could have properly requested that his Honour include an order to the effect that the marks not be registered until any application for leave to appeal (and any subsequent appeal) be determined. No such submission was made. Third, it was open to the applicant to approach this Court in the exercise of its appellate jurisdiction to seek a stay of the primary judge's orders. Section 68 of the Act does not, in my opinion, in any way impede an application for a stay of the primary judge's orders. Although it foreshadowed an application to stay the judge's orders, no such application was made.

17 The Act and the Regulations not only establish the register but also establish a comprehensive scheme for how marks may be placed on the register and removed from it. Having failed to protect its interests by taking any of the steps available to it under the Act and the Regulations or by seeking a stay or other orders from the Court, Woolworths now, in effect, invites the Court to attach little significance to the statutory scheme for maintaining the register. I would decline that invitation.

18 In my view the application for leave should be determined on the footing that, assuming Woolworths would be able to make out a case on appeal, any powers to alter the register by cancellation or removal should not be exercised in its favour. It follows that the present application should be considered on the footing that an appeal would be futile.

19 For these reasons I would refuse the application for leave to appeal with costs.

SUNDBERG AND BENNETT JJ:

20 Two trade mark applications, each relating to the use of the colour green in association with service stations, were filed by the respondent ('BP'). The applicant ('Woolworths') opposed the registration of the marks. The delegate of the Registrar of Trade Marks found that the marks were not capable of distinguishing BP's goods or services and the applications for registration were refused. The primary judge allowed the appeal and directed that the applications proceed to registration in the Register.

21 Woolworths did not apply for a stay of those orders and the trade marks were registered. BP asserts that, because the trade marks have already been registered, the appeal is a nullity.

22 It is appropriate first to consider the consequences of registration of the opposed marks and whether the appeal is a nullity.

ISSUES ARISING FROM THE REGISTRATION OF THE TRADE MARKS

23 The issues that have been raised are:

- (1) Whether because of s 68(1)(b) of the *Trade Marks Act 1995* (Cth) the Registrar was obliged to register the mark after the decision on the appeal from the Registrar's decision by the primary judge.
- (2) Whether, once the marks have been registered, the Full Court on appeal from the primary judge has power to rectify the Register.
- (3) If so, whether the Court should intervene as a matter of discretion.

Must a trade mark be registered after the decision by the primary judge on appeal from the Registrar's decision?

24 Section 68(1)(b) of the Act provides that, if there has been an opposition, the Registrar must register an accepted trade mark '*if the Registrar's decision, or (in the case of an appeal against the Registrar's decision) the decision on appeal, is that the trade mark should be registered*'.

25 BP's submissions turn on the meaning of '*an appeal against the Registrar's decision*'.

Mr Shavin QC, who appears with Ms Schoff for BP, says that the only appeal against the Registrar's decision is to the primary judge. After that decision, the Registrar was obliged to register the marks. Mr Catterns QC, who appears with Mr Burley for Woolworths, says that these words must include an appeal from the primary judge.

26 "Appeal" is not defined in s 6 of the Act. Section 56 provides that an appeal lies to the Federal Court from a decision of the Registrar in opposition proceedings. Section 191 provides for the jurisdiction of the Federal Court with respect to matters arising under the Act and, specifically, jurisdiction to hear and determine appeals against decisions of the Registrar. The jurisdiction is to be exercised by a single judge (s 193). Except with the leave of the Court, an appeal does not lie to the Full Court against a judgment or order of a single judge exercising the jurisdiction to determine an appeal from decisions of the Registrar (s 195(2)). There is no limit in s 195(2) to the right to apply for leave to appeal.

27 We are urged by Mr Shavin to construe the words '*appeal against the Registrar's decision*' narrowly so as to mean simply the appeal directly from the Registrar, in contrast to an appeal from the primary judge on appeal from the Registrar. Such a construction would deny the opportunity for leave to appeal provided in the Act to an unsuccessful opponent but not to an unsuccessful applicant. Indeed, if a narrow construction were applied, an application for a stay, if made, could not have been granted as there would have been a decision on appeal and the obligation to register the mark enlivened.

28 That cannot have been intended.

29 In our view, the reference in s 68(1)(b) to the decision on appeal against the Registrar's decision must extend to any application for leave to appeal from the decision of the primary judge and the decision on any subsequent appeal, which is also, ultimately, an appeal against the Registrar's decision. That is, the obligation to register does not arise until the appeal process has been exhausted.

Does the Court have power to rectify the register to remove the registered marks?

30 The appeal to the Court from the Registrar is in its original jurisdiction and it is a hearing *de novo* (*Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494 at [21]; *Jafferjee v Scarlett* (1937) 57 CLR 115 at 119 and 126). The jurisdiction

exercised by the primary judge to determine whether or not to register the marks is coextensive with that of the Registrar.

31 The Full Court has power to reverse the decision of the primary judge to register the marks (s 197(d)), to give a judgment to the effect that his Honour erred (s 197(e)) and to reverse the costs orders made by his Honour (s 197(f)). The question is, however, whether the Court has power to effect rectification of the Register.

32 Mr Shavin contends that the powers set out in s 197 of the Act, which include the power to affirm, reverse or vary the Registrar's decision (s 197(d)) and to give any judgment or make any order that the Court thinks fit (s 197(e)), define powers that may be exercised in the Court's original but not appellate jurisdiction. The powers of the Court in the exercise of its appellate jurisdiction are defined by s 28 of the *Federal Court of Australia Act 1976* (Cth). These powers do not extend, he submits, to converting an appeal on an opposition to registration under Part 5 Div 2 of the Act into an application for cancellation under Part 8 Div 2. This would mean that the fact of registration makes an appeal in this case "a nullity" or "nugatory" because the Court has no power to effect removal of the marks from the Register. If Mr Shavin's submissions are correct, the subject matter of the appeal, the opposition to registration, would be lost.

33 In support of that proposition, he relies upon the decision of Sackville J in *Soncini v Registrar of Trade Marks* (2001) 109 FCR 548 at [14] where his Honour expressed the view that s 197 confers powers on a Court exercising original not appellate jurisdiction. However, his Honour was referring to an opposed application to receive further evidence and the context of the remarks was a consideration of receipt of that evidence "on appeal". The remarks do not reflect a consideration of the powers of a Full Court in an appeal under the Act.

34 The Federal Court has jurisdiction with respect to matters arising under the Act (s 191(1)) as discussed above at [7]. Federal Court is defined in the Act as the Federal Court of Australia; there is no exclusion of the Full Court from the definition.

35 The introductory words to s 197 refer to the Federal Court's powers on hearing an appeal against a decision of the Registrar. While the expression '*an appeal against the*

Registrar's decision in s 68(1) seems to be reflected in those sections of the Act that deal with the jurisdiction of a single judge of the Federal Court, there is specific reference in s 195(2) to the Federal Court which includes the Full Court and a single judge of the Court. Furthermore, there is no limitation expressed in s 197 such that the powers outlined are to be exercised by a single judge of the Court.

36 In accordance with our construction of s 68(1)(b), the phrase the “appeal against a decision of the Registrar” in s 197 should also be understood as a reference to each stage of the appeal process. It follows that the Full Court has the powers set out in s 197. Both s 197(e) of the Act and s 28(1)(b) of the Federal Court Act give a general power to make any order that the Court deems fit.

37 The question remains whether, once the trade marks have been registered the Full Court, in an appeal from an opposition, can order rectification of the Register. It is not the case that the controversy before the Court is wider than that before the Registrar (cf: *New England Biolabs Inc v F Hoffmann-La Roche AG* (2004) 63 IPR 524). The subject matter to be considered remains whether the trade marks should proceed to registration. That was the matter for determination by the Registrar on the opposition and by the primary judge in the original jurisdiction.

38 The Act provides that, once a trade mark has been registered, rectification is by cancellation of the mark under Part 8 Div 2 of the Act pursuant to sections 85-91. Mr Shavin contends that such an application would raise different issues and be subject to a different test. Section 88 provides for rectification of the Register on specified grounds. Woolworths has not established that any of those grounds apply.

39 At the time of entry of the marks in the Register, the Registrar was aware that Woolworths had applied for leave to appeal. As a result of the application for leave, registration of the opposed marks was not required under s 68. From correspondence, and it is not in dispute, it is apparent that the Registrar was of the view that she was obliged to register the marks upon the decision of the primary judge pending appeal and did so. That was an error. However, the Registrar was also complying with an order of the Court that had not been stayed. Therefore, it cannot be said that the entry by the Registrar was in error.

40 If the trade marks are found to be unregistrable, the situation will arise where the entry is in error and rectification of the Register would be appropriate.

41 Section 81 provides that the Registrar may, on his or her own initiative, correct any error or omission made in entering in the Register any particular in respect of the registration of a trade mark. In our view, contrary to Woolworths' submissions, this power does not extend to the removal of a registered mark but is limited to particulars contained within the registration. This is also consistent with the Explanatory Memorandum which refers to the power of the Registrar with respect to "particulars of a registration" (emphasis added).

42 As Mr Catterns points out, s 84(1) of the Act provides that the Registrar must cancel the registration if asked by the registered owner to do so. He says that he would if necessary seek a mandatory order to direct BP to make that request if the Court held that the registration should not have been allowed. The Court has power under s 197(e) to give any judgment or make any order that in all the circumstances it thinks fit. That may extend to an order that BP ask for the registration of invalid marks to be cancelled under s 84(1).

43 Section 85(a) provides for rectification by entering in the Register particulars that were wrongly omitted. Section 85(b) provides that the Court may order that the Register be rectified by '*correcting any error in an entry in the Register*'. On one view, the reference to "in an entry" in context is to an error within an entry and does not extend to entry itself. However, the subsection is clearly intended to have wide effect and could also be said to extend to the whole of the entry or to the fact of an entry made in error. The words do not limit the application of the section to particulars of an entry. In our view, the latter interpretation is to be preferred. It is also consistent with the section and with the Explanatory Memorandum to the Act which distinguish between particulars of an entry and the entry of a registration. Accordingly, the Court has power to make and/or to correct an entry in the Register made in error.

44 We appreciate that, as Mr Shavin pointed out, the Registrar was acting in accordance with an order of the Court that was not stayed. However, if the appeal is successful, it is not the Registrar's action that is the issue but the proper state of the Register. The presence of the marks on the Register would be an error. Accordingly, s 85(b) would apply.

45 As Mr Shavin submitted, if there is no power to cause removal of the trade marks from the Register even if the opposition to registration were successful on appeal, the appeal would be a nullity for want of subject matter; an application to register the marks. Courts have held that there is power to preserve the subject matter of an appeal. In *Mareva Compania Naviera SA v International Bulkcarriers SA* [1980] 1 All ER 213 the Court of Appeal in the United Kingdom found jurisdiction to grant an injunction to restrain the disposal of moneys the subject of the action in order to prevent a grave injustice.

46 In *Tait v R* (1962) 108 CLR 620 it was submitted that the High Court had power to order a stay under s 38 of the *High Court Procedure Act* 1903-1955 and also that there was inherent power in the Court to stay proceedings. Dixon CJ said, at 623 said '*I have never had any doubt that the incidental powers of the Court can preserve any subject matter, human or not, pending a decision*'.

47 In *Ryan v Attorney-General for Victoria* [1967] VR 514 the Full Court of the Supreme Court of Victoria held that the Court sitting as an appellate court in a civil matter could not restrain the execution of a sentence of death pronounced by the Court in its criminal jurisdiction. The application had been misconceived. The Full Court was of the view that had the application been in the criminal jurisdiction of the Court, the death sentence could have been stayed while the application to the Privy Council for special leave to appeal was still pending. The Court considered at 515 the concept of '*the duty of a superior court of general jurisdiction to preserve in existence the subject-matter of legal proceedings properly instituted in the Court, whether that subject-matter be a human being or any other object of legal significance, until the proceedings, including those of an appellate nature, have been completed, and that it necessarily follows from that obligation that the Court has an inherent power to make whatever order is required to restrain the destruction of the subject-matter of the proceedings*'. Barry J, with whose reasons Monahan J agreed, said at 516:

'I am prepared to accept this general proposition as sound, and, indeed, as essential and fundamental in a civilized legal system.'

Pape J did not expressly adopt this reasoning but did observe at 521 that '*some procedure will have to be devised to prevent what, in my view, would be a denial of justice*'.

48 The Court has power under the Act to cause removal of the trade marks from the Register if the appeal is successful and has inherent power to preserve the subject matter of

the appeal. Accordingly, the appeal is not a nullity because the trade marks have been registered pursuant to s 68.

Should the Court refuse to consider rectification of the Register as a matter of discretion?

49 Woolworths was on notice that the Registrar intended to register the marks despite the application for leave to appeal. Woolworths foreshadowed an application for a stay of the orders of the primary judge but declined to proceed with that application.

50 Mr Shavin submits that the Court should not intervene where the Act provides a code for circumstances where a trade mark may be removed from the register. Mr Catterns submits that failure to do so would be contrary to the scheme of the Act providing for a right to seek leave to appeal from a decision to register a trade mark.

51 It may have been a wiser move for Woolworths to have applied for a stay of the primary judge's decision and thereby avoid the uncertainty and delay occasioned by the need for this Court to have to consider the consequences. However, the fact that Woolworths continued to prosecute the application for leave to appeal demonstrates that the legal advisers formed the view that the Court could and would rectify the Register if the application and a subsequent appeal were successful. We have determined that the Court can do so.

52 We are also of the view that, if the trade marks should not have been registered, they should not remain on the Register not only in Woolworths' interest but also in the public interest. In the circumstances, we are of the view that the application for leave should be granted for the reasons below and that the Register may be rectified if the appeal is successful.

THE TEST TO BE APPLIED ON THE APPLICATION FOR LEAVE

53 The Act specifically requires leave to appeal (s 195(2)). Woolworths does not accept that leave to appeal is granted only where the applicant has established a clear prima facie case of error in the decision appealed from (*Kirin-Amgen Inc v Hoeschst Marion Roussel Ltd* [2005] 1 All ER 667; *Renaud Cointreau v Cordon Bleu International* (2001) 193 ALR 657). Woolworths relies on *Kenman Kandy* and, in particular, submits that factors such as the novelty and importance of a relevant question of law and substantive injustice are also

relevant. Indeed, in *Kenman Kandy* at [25] French J (with whom Lindgren and Stone JJ agreed on this issue) observed that identification of error may not be necessary to support a grant of leave. Primarily, Woolworths says that the current applications are the first to be considered by the Court for the registration of a single colour to be applied on the exterior of a building in relation to a wide range, rather than a narrow range (*Philmac Pty Ltd v Registrar of Trade Marks* (2002) 56 IPR 452) of goods and services.

54 The discretion to grant leave to appeal must not be constrained by elevating particular approaches to its exercise in particular classes of case to rules of general application (in *Kenman Kandy* at [25] per French J). However, it would be rare to grant leave to appeal in absence of a clear prima facie case of error on the part of the primary judge. Prima facie case of error is a prerequisite even if an important question of law and substantive injustice were relevant factors. We are of the view that the fact that this is the first time that this particular class of marks has been considered is not sufficient (*Kirin-Amgen*).

55 In *Lomas v Winton Shire Council* (2003) AIPC 91-839 the Full Court emphasised at [16] the discretionary nature of the jurisdiction to grant leave to appeal under s 195(2) of the Act and distinguished between an appeal from a single judge where an opponent has been successful and where an applicant has been successful. Woolworths, the unsuccessful opponent, may bring expungement proceedings if the opposition proceeding fails. If the applicant is unsuccessful, '*before refusing leave, the Court should be satisfied that it is clear beyond doubt that there has been no error and that any trade mark, if granted, should be expunged*'. Where an opponent has had the benefit of two hearings and has been unsuccessful in both, it would only be in an exceptional case that the Court would grant leave to mount a further consideration of factual issues (*Kirin-Amgen*). It is pertinent that in the present case, Woolworths was successful before the Registrar and unsuccessful before the primary judge. The relevant question in this application is whether there has been a clear prima facie case of error on the part of the primary judge.

56 On occasion it is appropriate to hear the application for leave first and, if granted, to proceed immediately to hear the appeal itself. That course was obviously in the minds of the parties in this case. However, once the issues surrounding the registration of the trade marks arose, leave to appeal had to be considered separately.

THE DECISION OF THE PRIMARY JUDGE

57 Applications No 559837 ('the first application') and application No 676547 ('the second application'), were applications to register the colour green as shown (in the first application) or as exemplified (in the second application) in the representation on or attached to the application, applied as the predominant colour to certain parts of service stations.

58 The applications were amended after they were filed.

59 The issues as identified by the primary judge were:

- (1) whether the applications had been amended contrary to s 65 of the Act
- (2) whether the marks are capable of distinguishing BP's goods and services (s 41)

Were the amendments contrary to s 65?

60 The primary judge concluded that the amendments to the application in each case were to the particulars and not to the representations of the marks. Accordingly, only s 65(5) is engaged. Amendments may be made to particulars if they do not extent the rights of the applicant under the registration.

The first application

61 The endorsement was amended from:

'The trade mark is limited to the colour green as shown in the representation attached to the application form'; to

'The trade mark consists of the colour green as shown in the representation on the application as applied to a significant proportion of the exterior surface of the buildings, canopies, pole signs and other component parts of service stations used for the sale or supply of the goods or services covered by the registration'; to, ultimately

The trade mark consists of the colour GREEN as shown in the representation on the application applied as the predominant colour to the fascias of buildings, petrol pumps, signage boards – including poster boards, pole signs and price boards – and spreaders, all used in service station complexes for sale of the goods and supply of the services covered by the registration.'

62 His Honour construed the amendment to the endorsements in the first application in

‘a common sense way’ rather than by applying a strict construction from the perspective of an interested trader. The original endorsement, in the unamended application, was ‘*The trade mark is limited to the colour green as shown in the representation attached to the application form*’. The representation was a square coloured green. His Honour rejected the submission that the unamended application was for a device mark limited to a particular colour (as found by the delegate of the Registrar) but held that the representation was of a colour mark which must take some shape. His Honour construed the endorsement as comprising a main clause which says that the mark applied for is a colour and a subordinate clause which specifies that the colour mark is a particular shade of green, as shown in the representation. Accordingly, his Honour held, the subsequent amendments did not extend but restricted the rights by confining or limiting the mark.

The second application

63 The endorsement was amended from:

‘The mark consists of the colour green applied to the exterior surfaces of the premises used for the supply of the said services as exemplified in the representation attached to the application’; to

‘The trade mark consists of the colour GREEN applied to a significant proportion of the exterior surface of the buildings, canopies, pole signs and other component parts of service stations used for the supply of the services covered by the registration, as exemplified in the representation on the application form’; to, ultimately

‘The trade mark consists of the colour GREEN applied as the predominant colour to the fascias of buildings, petrol pumps, signage boards – including poster boards, pole signs and price boards – and spreaders, all used in service station complexes the supply of the services covered by the registration, as exemplified in the representation attached to the application form’.

64 As to the second application, the original endorsement claimed the application of the colour to the premises without limitation. Accordingly, the primary judge concluded, the amendments restricted the definition of the mark and the ambit of the mark.

65 In neither case were the amendments held to be contrary to s 65.

66 Woolworths contends that by drawing a distinction between an amendment to the

“representation” of a mark and the endorsement, the primary judge adopted an overly narrow construction of s 65(2). The distinction, Woolworths argues, is artificial and incorrect in the context of colour marks which necessarily must include a representation and a description in words. Accordingly, by altering the words of the endorsement, the representation was amended and those amendments affected the identity of the mark in contravention of s 65.

Are the marks capable of distinguishing BP’s goods and services?

67 His Honour considered in detail the development of the registrability of colour marks in Australia, the United States and Europe. He also considered the question of the distinctiveness of the colour green. As the colour green is not inherently distinctive, BP needed to establish that the particular shade of green had been used as a trade mark and that the shade of green had acquired a secondary meaning to identify the source of goods and services (s 41(6)).

68 His Honour concluded that the BP get up, with its predominant use of green, is a badge of origin. However, that get up consists of more than one feature, of which green is only one aspect. Looking to US authority, in the absence of any from Australia or England, the primary judge concluded that separate components of a single get-up or design may qualify for registration as a mark. If a feature, considered separately, creates a separate impression and distinguishes the goods or services in question, his Honour considered that feature to be capable of registration.

69 The evidence established that customers identified BP’s service stations by the colour green alone. His Honour concluded from the evidence that the colour green in the shade depicted in the applications had acquired a secondary meaning and had become distinctive of BP’s goods and services in the relevant classes when the applications were filed.

70 Woolworths does not challenge the primary judge’s conclusion that the colour green is capable of acquiring distinctiveness and can be used as a trade mark. Woolworths raised a number of issues concerning the endorsements in each of the first and second applications which, it submits, were not considered or were not properly considered in his Honour’s reasons. For the purposes of this application for leave to appeal, it is not necessary or appropriate to determine those issues. However, it is relevant to the question of leave whether the primary judge failed to consider the issues if they may have affected the

registrability of the trade marks.

THE ISSUES IN THE PROPOSED APPEAL

71 During the application for leave, a number of issues were canvassed by the parties which centred around the endorsement and representation in each application, for example:

What is the trade mark of the first application

- a. Where the trade mark is a colour and the application contains words ('the endorsement') and a graphic representation, how is the trade mark construed or defined?
- b. Is the trade mark, as the endorsement is properly construed, '*the colour green as shown in the representation on the application*' so that the rest of the words are a limitation as to use or do those words define the mark or qualify the nature of the mark itself so that the limitation as to use begins '*all used in service station complexes...*'?
- c. If the trade mark is only the colour, has there been compliance with Regulation 4.2(1)(b) of *Trade Mark Regulations 1995* (Cth)?
- d. If the trade mark is only the colour, what is the effect of the fact that the additional words were added on request by the Registrar for a better description of the trade mark pursuant to regulation 4.3(8)? It is BP's case that the amendment was to the description and that there was no amendment of the representation.
- e. What does '*predominant colour*' mean? Is it necessary to decide?
- f. If the limitation is as to use, does this affect the relevance of '*applied as the predominant colour*'?
- g. Has BP established requisite use for the purposes of s 41(6)?
- h. How does the Act assist in ascertaining the identity of the trade mark of the first application and the effect of the limitations in the description?
- i. Does the point where green ceases to be distinctive coincide with the point where green ceases to be the predominant colour?
- j. Is the applicant required to establish distinctiveness across the range of usage of the mark?

What is the trade mark of the second application?

- a. The endorsement provides: '*as exemplified in the representation*'. The representation accords with the totality of the endorsement. What does this mean as to the identity of the trade mark? Does this establish a limitation consistent with the Act?
- b. What is the scope of distinctiveness necessary to establish s 41(6)?
- c. How does '*predominant colour*' impact on the identity of the trade mark?

These issues are not exhaustive of the matters raised. Some may arguably be more relevant to infringement than to distinctiveness.

72 Generally, a threshold question for s 41(6) is whether the colour green in the form of the applications was ever used as a trade mark or as a sign. The meaning and range of "predominant" has been raised for both applications. How many of the identified features must have the prescribed colouring? If there is within the proper construction of the trade mark a range of usage that will represent the trade mark, must the whole range be shown to be distinctive?

Did the primary judge consider the relevant issues as raised in the opposition proceedings?

73 Woolworths submits that, in order to determine the opposition, it was necessary to consider the construction of the first and second applications, including the combined effect of the representations and the endorsements. There is no such consideration of the relevant construction apparent in his Honour's reasons. Woolworths submits that this omission was crucial as it was necessary to consider the marks sought to be registered at their broadest scope and that the decision '*is accordingly infected with a lack of precision as to the scope of the trade marks under consideration*'. It was submitted by Mr Catterns that no court has considered this interrelationship between the criteria for registration under s 41(6) and the scope of the trade mark.

74 Further, Mr Catterns raises as a question of general principle the intersection between the graphical representation of a colour trade mark and the words of the endorsement. In this case, such consideration affects the construction of BP's marks, the use to which they have been put and the distinctiveness that needs to be established for the purposes of s 41(6).

75 Section 41(6) of the Act requires use of the mark before the priority date. As discussed at [49], his Honour applied US authority to hold that a single feature of the "get

up”, in this case the colour green, may become distinctive. Woolworths submits that, in applying a test of prior use of *part* of the mark, his Honour impermissibly applied a “foreign test” which creates a new and broader test than previously applied to s 41(6).

76 Mr Shavin contends that the primary judge did consider all of the necessary issues and that no *prima facie* errors are shown. In particular, he draws attention to [62]–[65] of his Honour’s reasons where he concluded that it was the use of green as a predominant colour that was distinctive of BP’s goods and services in the classes for which registration was sought on the dates upon which the applications were filed. Mr Shavin submits that it is not possible to consider whether the application of colour is predominant without considering that to which the colour is applied. He concedes that the primary judge did not address Woolworths’ submissions on the use of “predominant”. The conclusions to which Mr Shavin points where his Honour uses the words “predominant”, “extensive” and “dominant” serve, in our view, to emphasise the lack of proper consideration of the effect of the word “predominant” in the applications.

77 The primary judge stated at [10] that the amendments to both applications were made to the particulars in those applications and not to the representations of the marks. His Honour applied the reasoning in *Levi Strauss & Co v Kimbyr Investments Ltd* [1994] 1 NZLR 332 in drawing a distinction between the definition of a mark (including its particulars) and the representation of the mark. Mr Shavin submits that the distinction, which appears in the Regulations (Regulation 4.3), is correct and that the amendments were correctly considered by his Honour pursuant to s 65(5) of the Act.

78 BP contends that the scope or definition of a colour trade mark is to be determined only when the question of infringement arises. However s 41(6) requires the trade mark applicant to establish distinctiveness by reference to use of its mark. We agree with Woolworths that the scope of the colour mark is relevant for a determination of distinctiveness and not only infringement.

79 The primary judge did consider the endorsement of the first application and the amendments that had been made, to conclude that the mark is a colour mark and that the colour is the particular shade of green in the representation. However, it is fair to say that his Honour did not consider the questions raised by Woolworths in the context of s 41(6). The

same can be said of the second application.

THE TEST TO BE APPLIED IN AN OPPOSITION TO REGISTRATION OF A TRADE MARK

80 In *Lomas* the Full Court suggested that a parallel could be drawn between the Act and the *Patents Act 1990* (Cth) and said that on that basis an opposition should only be upheld if the Court were satisfied that the trade mark should clearly not be registered.

81 In *Lomas* the Full Court acknowledged at [17] that no submissions had been addressed to the Court concerning the standard to be applied by a single judge in considering an appeal under s 56 of the Act. In *Torpedoes Sportswear Pty Limited v Thorpedo Enterprises Pty Limited* (2003) 132 FCR 326, Bennett J followed *Lomas*. In that case, neither party had raised the test at the hearing but were given the opportunity to file written submissions. Other judges have followed *Torpedoes*. Some judges of the Court have expressed reservations about the *Lomas* test as applied in an appeal from an opposition.

82 In *Kowa Company Ltd v NV Organon* [2005] FCA 1282 Lander J at [118]–[141] considered in some detail the competing arguments as to the correctness of this test as well as the course that has been taken and the observations made by different judges of the Court. Despite his Honour’s own reservations, he considered that he was bound to follow those decisions that applied the test expounded in *Lomas*.

83 The authors of *Shanahan’s Australian Law of Trade Marks & Passing Off* (3rd ed, 2003) also question the drawing of a parallel between opposition proceedings under the Act and under the Patents Act. They note that the Full Court in *Renaud* expressed the view that so far as possible there should be uniformity in the court’s approach for leave to appeal in the area of intellectual property as a whole but the authors expressed some doubt whether an applicant for a trade mark is in the same position as an applicant for a patent.

84 It is appropriate that the question be considered by a Full Court with the benefit of submissions from the parties, if the basis for leave being granted is otherwise established.

CONCLUSION

85 The primary judge found that the trade marks were not inherently adapted to

distinguish the designated goods or services. Accordingly, s 41(6) of the Act applied. It was therefore necessary for his Honour to determine the extent to which the trade marks have been used and whether they do distinguish the designated goods or services as those of BP. That necessitated a consideration of the precise definition or construction of each trade mark and the relevance of the endorsement and the representation in that construction. The primary judge determined the application of s 41(6) to the colour green without a determination whether that constituted the full scope of the mark in each case.

86 It is difficult to ascertain from his Honour's reasons whether his conclusions were in error or were clearly in error, having regard to the grounds of Woolworths' opposition. Rather, it would seem that those grounds were not canvassed by his Honour. If that is so and if those grounds were advanced by Woolworths and were determinative of registrability, there would be a clear prima facie case of error.

87 In our view, the questions raised in Woolworths' opposition are relevant to a proper consideration of the registrability of the marks. It is not apparent from the primary judge's reasons that he considered them. The matters not determined by his Honour on registrability go to the construction of the Act and the Regulations and to the characterisation of applications for colour marks. There has been established a clear prima facie case of error in a failure to consider those questions. In addition, there are important questions of the construction of applications for colour marks and of the Act.

88 Further, the question of onus which, as we have said, requires further consideration by the Full Court may be of significance in the determination of the opposition.

89 In the circumstances, it is appropriate that leave to appeal be granted.