

Food Channel Network Pty Ltd v Television Food Network GP [2010]

FCAFC 58

FEDERAL COURT OF AUSTRALIA

KEANE CJ, STONE AND JAGOT JJ

THE COURT:

INTRODUCTION

1 We have before us two appeals, QUD 103 of 2009 and QUD 132 of 2009, both of which concern the following parties:

1. The appellant in these proceedings is a company known as Food Channel Network Pty Ltd (ACN 079 015 339) (Network). Its sole shareholder and managing director is Mr Paul Lawrence.
2. The respondent in these proceedings is a Delaware partnership known as Television Food Network, G.P. (Television). Its principal place of business is New York.
3. Another company, also controlled by Mr Lawrence, is involved in the issues which arise in the appeal. It is called The Food Channel Pty Ltd (ACN 077 987 118) (Channel).

2 At issue in QUD 103 of 2009 is the registration of trademark 967804 (the mark). In the second appeal, QUD 132 of 2009, the appellant seeks to set aside an order for indemnity costs made on 5 February 2008 by the primary judge against Network before the trial began in relation to the abandonment of a mediation which the judge had ordered.

3 The application to register the mark was lodged by Channel on 28 August 2003. Channel was described as the owner of the mark. The application described the goods and class to which the mark related in the following terms:

Goods specification: Class 16: Printed matter, periodical publications, books and newspapers; paper and cardboard articles; posters, calendars; writing instruments, pencils, pens, stationery, writing pads, greeting cards; photographs.

4 On 20 January 2004, IP Australia recorded an assignment of the application to register the mark from Channel to Network. The mark appears below:

Trade Mark Number: 967804

Owner: Food Channel Network Pty Ltd

Filing date: 28 August 2003

Acceptance advertised: 29 January 2004

Trade mark:

Words: Food Channel

Image: Chilli and banana are antenna of TV, incompl. With steam, all styl.



Class: 16

5 Television has registered three trade marks, representations of which appear below.

Trade Mark Number: 938228

Owner: Television Food Network GP [Television]

Filing Date: 18 December 2002

Acceptance advertised: 20 July 2006

Trade mark:



Class: 41

Trade Mark Number: 881667

Owner: Television Food Network GP [Television]

Filing Date: 6 July 2001

Acceptance advertised: 27 July 2006

Trade mark:



Classes: 9, 38, 41 and 42.

Trade Mark Number: 881666

Owner: Television Food Network GP [Television]

Filing Date: 6 July 2001

Acceptance advertised: 27 July 2006

Trade mark:

TELEVISION FOOD NETWORK

Classes: 9, 38 and 41.

6 On 29 April 2004, Television lodged a notice of opposition pursuant to s 52 of the *Trade Marks Act 1995* (Cth) (the Act) to oppose the application for registration of the mark which had been accepted by the Registrar. The opposition raised a number of grounds only two of which it is necessary to mention here. On 29 November 2006 the delegate dismissed the opposition to registration. The delegate decided to accept the application to register the mark holding, inter alia, that:

1. with regard to opposition under s 59 of the Act, it was not appropriate to draw an inference that Network did not intend to use the mark,
2. with regard to opposition under s 44 of the Act, the marks were not deceptively similar.

7 Television appealed against this decision to the Federal Court under s 56 of the Act. Under s 197 of the Act, that appeal was by way of re-hearing. At the hearing before the delegate, Television's contention was initially that Channel was not the owner of the mark, but this contention was not pressed before the delegate. It was an argument which Television revisited on its appeal from the Registrar's delegate to the Federal Court. Before the learned primary judge Television contended, inter alia, that:

1. At the date of the application, Network was not the owner of the mark (s 58).
2. At the date of the application, Network had no intention to use the mark in Australia, to authorise the use of the mark in Australia, or to assign the mark to a body corporate for use in Australia (s 59).
3. The registration of the mark should have been rejected under s 44(1) because it was substantially identical with, or deceptively similar to, the marks registered by Television.

8 The judge upheld Television's appeal and ordered that registration of the mark be refused. Her Honour concluded relevantly that:

1. It was not possible on the evidence to conclude that Channel was the owner of the mark at the date of the application: [2009] FCA 271 at [92].

2. Neither Network or Channel used, or intended to use, the mark: [2009] FCA 271 at [121].
3. The mark was deceptively similar to Television's trade mark: [2009] FCA 271 at [148].

THE ARGUMENTS IN THIS COURT

9 On appeal to this Court, Network challenges each of these conclusions.

10 Other issues arise on the appeal. The first of them arises out of the judge's refusal to allow Network to reply upon an affidavit sworn by Mr Lawrence on 16 March 2008 at the trial which commenced on 17 March 2008. This affidavit was the fourth affidavit sworn by Mr Lawrence in the proceedings. We shall refer to it as "Lawrence-4". It is argued on behalf of Network that her Honour's ruling in this regard denied Network the opportunity to cure the evidentiary deficits in its case relating to the issues arising under ss 58 and 59 of the Act. The judge also refused to allow Network to rely on a fifth affidavit by Mr Lawrence (Lawrence-5). This affidavit related to the circumstances of the use of the mark by Network. Initially, in its appeal, Network sought to challenge only the ruling in relation to "Lawrence-4", but late in the course of the hearing of the appeal, leave was sought to challenge the judge's ruling rejecting "Lawrence-5" as well.

11 On the appeal to this Court, Network argues:

1. Her Honour erred in proceeding on the footing that Network was obliged to satisfy an evidentiary onus to negative the grounds of opposition under ss 58 and 59 of the Act. Network submits that an opponent to registration of a trade mark bears the onus of establishing each ground of opposition relied upon (at least on the balance of probabilities and, it submits, to a higher standard).
2. Her Honour erred in finding that Channel was not the owner of the mark. Network submits that Channel was the first person to file for registration of the mark and that Television has not shown that any other person was the owner by prior user.
3. Her Honour erred in finding there was no evidence before her as to whether Channel or Network ever used an amended version of the trade mark, and

further, that this was not the correct inquiry to undertake. Evidence (or absence of evidence) of non-use does not establish lack of intention to use.

4. Her Honour erred in rejecting the affidavits 4 and 5 of Mr Lawrence.
5. The trademarks are not substantially identical or deceptively similar and her Honour reached an erroneous conclusion on this issue only by reason of errors in point of principle in carrying out the evaluative assessment required to determine this issue.
6. Her Honour acted upon wrong principle in making the costs order.

12

Television argues that:

1. Her Honour did not err in rejecting the affidavits Lawrence 4 and 5. The affidavits consisted of largely irrelevant material and were tendered after the trial began. In any event, admitting the affidavit would not have affected the result of the trial in respect of the claims under s 58 and 59.
2. The onus of proof in relation to the grounds of opposition raised by Television was upon Network. This argument was contrary to the position adopted by Television before the judge. At that stage, Television accepted that it bore the onus of proof on each of the grounds of opposition raised by it to registration of the mark, but argued that Network had failed to meet an evidentiary onus upon it. Alternatively, Television adhered to its original position that her Honour did not err in proceeding on the footing that an “evidentiary onus” shifts to an applicant for registration after a *prima facie* case of a ground of opposition is made out.
3. The evidence shows that Channel was not the owner of the mark as required under s 27(1) of the Trade Marks Act, and further, that there was no intention on the part of Channel to authorise the use of the mark by another party.
4. The judge did not err in finding that there was no intention to use the mark for the purposes of an objection under s 59. Her Honour was entitled to have regard to the evidence of actual use of the mark after the application as being relevant to intention to use as at the date of the application.

5. Alternatively, any intention to use the mark related to the ‘amended version’ of the mark. This was established at the hearing before the Delegate, where Mr Lawrence stated that “he did not intend to use the Opposed Mark” but would use “an alternative, though somewhat similar, mark”. The judge should have found that the additions and alterations substantially affected the identity of the mark.
6. In relation to deceptive similarity, the decision of the judge was an evaluative one upon which reasonable minds could differ. Thus, an appellate Court must have sufficient doubt relating to an error of principle before intervening to disturb the decision.
7. In relation to costs, the judge did not err in the exercise of discretion in awarding costs against Network.

13 In an endeavour to deal, in a coherent way, with this welter of controversy, we propose to deal first with the issue of onus of proof in relation to grounds of opposition under the Act. We will then consider the learned primary judge’s conclusions and the parties’ arguments in relation to these grounds of opposition. We will then briefly address the other issues.

ONUS

14 A consideration of where the onus of establishing the grounds of opposition lies must begin (and end) with the Act.

15 Section 27(1) of the Act provides that a person may apply for the registration of a trade mark in respect of goods and/or services if “the person claims to be the owner of the trade mark” and one of the circumstances in s 27(1)(b) applies. Section 27(1) is in the following terms:

27 Application – how made

- (1) A person may apply for the registration of a trade mark in respect of goods and/or services if:
 - (a) the person claims to be the owner of the trade mark; and
 - (b) one of the following applies:
 - (i) the person is using or intends to use the trade mark in relation to the goods and/or services;
 - (ii) the person has authorised or intends to authorise another person to use the trade mark in relation to the goods and/or

- services;
- (iii) the person intends to assign the trade mark to a body corporate that is about to be constituted with a view to the use by the body corporate of the trade mark in relation to the goods and/or services.

16 Section 31 of the Act provides for the Registrar to examine the application and to report on, inter alia, “whether there are grounds for rejecting it.”

17 Section 33(1) of the Act provides:

33 Application accepted or rejected

- (1) The Registrar must, after the examination, accept the application unless he or she is satisfied that:
 - (a) the application has not been made in accordance with this Act; or
 - (b) there are grounds under this Act for rejecting it.

18 The grounds on which the Registrar must reject an application are set out in Division 2 of Part 4 of the Act, and include s 44(1) of the Act which provides:

44 Identical etc. trade marks

- (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of goods (*applicant's goods*) must be rejected if:
 - (a) the applicant's trade mark is substantially identical with, or deceptively similar to:
 - (i) a trade mark registered by another person in respect of similar goods or closely related services; or
 - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
 - (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

...

19 Part 5 of the Act makes provision for opposition to registration of a trade mark where the Registrar has accepted the application. Section 52 of the Act provides relevantly:

52 Opposition

- (1) If the Registrar has accepted an application for the registration of a trade mark, a person may oppose the registration by filing a notice of opposition.
- ...
- (3) The opponent must serve a copy of the notice on the applicant.
- ...
- (4) The registration of a trade mark may be opposed on any of the grounds specified in this Act and on no other grounds.

20

In relation to opposition proceedings s 55 of the Act provides:

55 Decision

- (1) Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:
- (a) to refuse to register the trade mark; or
 - (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;
- having regard to the extent (if any) to which any ground on which the application was opposed has been established.
- (2) Without limiting subsection (1), if the application was opposed on the ground specified in paragraph 62(a) (that the application, or a document filed in support of the application, was amended contrary to this Act), the Registrar may revoke the acceptance of the application and examine the application again under section 31.

21

Section 56 of the Act provides:

56 Appeal

The applicant or the opponent may appeal to the Federal Court from a decision of the Registrar under section 55.

22

Division 2 of Part 5 of the Act contains the following provisions in relation to the grounds on which the registration of a trade mark may be opposed:

57 Registration may be opposed on same grounds as for rejection

The registration of a trade mark may be opposed on any of the grounds on which an application for the registration of a trade mark may be rejected under this Act, except the ground that the trade mark cannot be represented graphically.

...

58 Applicant not owner of trade mark

The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

...

59 Applicant not intending to use trade mark

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

- (a) to use, or authorise the use of, the trade mark in Australia; or
- (b) to assign the trade mark to a body corporate for use by the body corporate in Australia;

in relation to the goods and/or services specified in the application.

23

Part 8 of the Act provides for the amendment, cancellation and revocation of registration of a trade mark. Of relevance for present purposes is s 88 which is in the following terms:

88 Amendment or cancellation – other specified grounds

- (1) Subject to subsection (2) and section 89, a prescribed court may, on the application of an aggrieved person or the Registrar, order that the Registrar be rectified by:
 - (a) cancelling the registration of trade mark; or
 - (b) removing or amending an entry wrongly made or remaining on the Register; or
 - (c) entering any condition or limitation affecting the registration of a trade mark that ought to be entered.
- (2) An application may be made on any of the following grounds, and on no other grounds:
 - (a) any of the grounds on which the registration of the trade mark could have been opposed under this Act;
 - (b) an amendment of the application for the registration of the trade mark was obtained as a result of fraud, false suggestion or misrepresentation;
 - (c) because of the circumstances applying at the time when the application for rectification is filed, the use of the trade mark is likely to deceive or cause confusion;
 - (e) if the application is in respect of an entry in the Register – the entry was made, or has been previously amended, as a result of fraud, false suggestion or misrepresentation.

24 In *Health World Ltd v Shin-Sun Australia Pty Ltd* [2010] HCA 13 at [22]-[26], French CJ, Gummow, Heydon and Bell JJ explained the theory of this legislative scheme (footnotes omitted):

... [T]he legislative scheme reveals a concern with the condition of the Register of Trade Marks. It is a concern that it have “integrity” and that it be “pure”. It is a “public mischief” if the Registrar is not pure, for there is “public interest in [its] purity”. The concern and the public interest, viewed from the angle of consumers, is to ensure that the Register is maintained as an accurate record of marks which perform their statutory function – to indicate the trade origins of the goods to which it is intended that they be applied.

This concern and this interest are reflected in the following scheme. If an application is made to have a mark registered which does not meet the criteria for registration, there are two opportunities for registration to be prevented. And if a mark has been registered which does not meet the criteria for remaining on the Register, a further opportunity exists to have the Registrar adjust it.

The first opportunity arises when an application is lodged. Section 31 of the Act creates a duty on the Registrar to examine and report on whether the application has been made in accordance with the Act, and whether there are grounds under Pt 4 Div 2 for rejecting it. The Registrar must accept the application unless satisfied that the application has not been made in accordance with the Act, or there are grounds for rejecting it (s 33).

Even if the application is accepted, a second opportunity arises. Section 34 creates a duty on the Registrar to advertise the decision to accept the application in the *Official Journal of Trade Marks*. This enables those who wish to oppose registration to do so pursuant to s 52 of the Act. Section 52 has no standing requirement. If opposition

proceedings are not brought, or if they fail, the trade mark is registered (s 68).

However, a third opportunity to ensure the purity of the Register arises, for recourse can be had to s 88 or s 92. Those sections require applicants under them to be “aggrieved”. It is not the case that any applicant who wants the Register rectified or a mark removed is “aggrieved” merely by reason of that desire: the word has a filtering function. But against that legislative background, it is not clear why the word should be construed restrictively rather than liberally.

25 In this Court, Television’s Counsel accepted that s 33 operates to create a presumption of registrability for the purposes of the critical examination and report by the Registrar, but went on to argue that this presumption does not “carry through” to opposition proceedings. In this Court, Television’s Counsel were disposed to argue that an applicant for registration does not have the benefit of the presumption of registrability and accordingly has the onus of proof of an entitlement to registration.

26 This argument conflates the presumption of registrability which arises by virtue of s 33 of the Act at the acceptance stage by the Registrar and the incidence of the onus of proof in opposition proceedings. Each of ss 58 and 59 of the Act creates a ground of opposition in terms apt to engage the usual rule as to onus of proof that “the party who asserts must prove.” See *Unity Insurance Brokers Pty Ltd v Rocco Pezzano Pty Ltd* (1998) 154 ALR 361 at [99].

27 In *Joseph Constantine Line v Imperial Smelting Corp Ltd* [1942] AC 154 at 174, Viscount Maugham LC said:

In general the rule which applies is “*Ei qui affirmat non ei qui reget incumbit probatio*” (Proof lies upon him who asserts not on him who denies). It is an ancient rule founded on considerations of good sense and should not be departed from without strong reasons.

28 Even if it be accepted that the presumption in favour of registration created by s 33 of the Act applies only in relation to the first examination by the Registrar and does not “carry through” to opposition proceedings, the non-application of the presumption does not assist in resolving the incidence of the burden of proof in those proceedings. When one looks at the statutory language which frames the grounds on which opposition to registration may be advanced one does not see “strong reasons” to depart from the general rule referred to by Viscount Maugham. Rather, one sees confirmation that the general rule does apply. In particular, s 55 of the Act expressly contemplates that registration may be refused at the

opposition stage only “to the extent (if any) to which” a relevant ground of opposition “has been established”.

29 On behalf of Television reference was made to observations of French J (as his Honour then was) in *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2002) 122 FCR 494 esp at [22] where his Honour made specific reference to the circumstance that on an appeal to the Federal Court from the Registrar’s initial decision in relation to registration under s 33 of the Act “the onus is no longer on the applicant to establish registrability as it was under the 1955 Act ... (and that) the application must be accepted unless the Court is satisfied that ... there are grounds for rejecting it. If the matter is in doubt then the application should be accepted. The possibility of refusal after a contested opposition with evidence and closer scrutiny remains open. The acceptance stage is not the time for detailed adversarial examination of the application that might be involved in an opposition ...”. On behalf of Television it was suggested that these observations implied that in opposition proceedings the incidence of the onus of proof was upon the applicant for registration. We are unable to see such an implication in the observations of French J. If his Honour had intended to make such a point he would have addressed the difficulty posed for that viewpoint by the terms of ss 55, 58 and 59 of the Act.

30 Television’s argument is also contrary to authority. In *Lomas v Winton Shire Council* [2002] FCAFC 413 Cooper, Kiefel, and Emmett JJ referred to the scheme of the Act and said:

[36] The legislative scheme relating to opposition proceedings set out above indicates that an opponent has the onus of establishing the ground of opposition relied on. ... On one view, they may be required to establish that [the applicant] was *clearly* not the owner...

31 In *Pfizer Products Inc v Karam* [2006] FCA 1663, Gyles J referred to the reference in *Lomas* to the need for non-ownership to be clearly established and said that this “higher” test was merely ‘obiter’ and that nothing in the text of the section demanded a higher standard of proof:

[21] ... Whether a ground of opposition has been ‘established’ is a conventional concept requiring no particular elucidation. In my opinion, there is no basis upon which the section can be read as ‘the extent (if any) to which any ground on which the application was opposed has been **clearly** established’, particularly where that implication changes the practical operation of the

section by imposing a special high onus of proof. It is also worth noting that the construction favoured in *Torpedoes* is not rooted in the words of the section at all. The precise finding in that case was that the opposition ‘should be upheld only if the Court is satisfied that the trade mark should clearly not be registered’ (at [22]). With all respect, that test is not to be found in the statute. I cannot find anything in the structure or content of other provisions of the 1995 Act that would point to reading s 55 other than according to its ordinary meaning.

[22] In my opinion, it is not permissible to put a gloss on the clear words of the section by reference to extrinsic material. In any event, the extrinsic material does not support Karam’s argument. The discussion of the Working Party Report by Lander J in *Kowa Co Ltd* (at [128]–[136]) adequately discloses the difficulty. Furthermore, it can be taken that implementation of the recommendation of the Working Party about the bringing of opposition proceedings in trade marks into agreement with those applicable to patents ‘where appropriate’ was effected, so far as was regarded as appropriate, by the 1995 Act and Regulations made under the 1995 Act. In my opinion, borrowing further from the field of patents in this respect is impermissible, to adopt the word used by Finkelstein J. Trade marks and patents are different species of intellectual property and have a different history. A general desire for uniformity cannot control construction of the statute governing each. It is also to be noted that the approach of Emmett J in *F Hoffman-La Roche AG* did not represent established patent practice at the time of the Working Party Report. It was novel when handed down in 2000, long after the 1995 Act had been enacted, and is still controversial.

[23] It is also anomalous that, when it comes to amendment of the Register by order of the Court pursuant to Div 2 of Pt 8 of the 1995 Act on grounds similar to those involved here, there is no hint of the application of any special onus, although in such a situation the mark has actually been registered. An opponent could bring proceedings immediately after grant on that basis.

32 It is not necessary to determine here whether the standard of proof required of an objector is higher than proof on the balance of probabilities. It is sufficient for present purposes to say that it is clear that Gyles J accepted as correct the proposition in *Lomas* that the onus in opposition proceedings lies squarely upon the opponent.

33 Television’s Counsel submitted that *Lomas* dealt with the standard of proof rather than its incidence and, in any event, urged this Court to conclude that the approach in *Lomas* was clearly wrong and should not be followed. All that can usefully be said in support of these arguments, and a statement of reasons why they cannot be accepted, is to be found in the reasons of Lander J in *Kowa Co v NV Organon* (2005) 223 ALR 27 at [118]–[141]. The passage is too long to be cited in full, but it is sufficient to say that Lander J concluded that it cannot be said that it is clear that *Lomas* was wrongly decided.

34 To the extent that Lander J seemed to think there was some force in the argument that the onus remained on the applicant for registration given that the extrinsic material distinguished between the registration stage and the court hearing stage – see at [135] – that concern is sufficiently answered by the language of the statute. The language of the statute – s 55 – “to the extent (if any) to which any ground on which the application was opposed has been established”, as well as each of the relevant provisions of Div 2 of Pt 5 – “the registration of a trade mark may be opposed” – presents an insuperable obstacle to Television’s argument. Neither the historical incidence of the burden of proof nor the extrinsic material can lead to the statute being given other than its clear meaning – the opposition must be established. For this reason *Lomas* on the incidence of the burden of proof is not clearly wrong but clearly right.

35 In *Jafferjee v Scarlett* (1937) 57 CLR 115, the relevant provisions of the *Trade Marks Act 1905-1934* (Cth) were treated as requiring the applicant for registration both before the Registrar and on appeal to the High Court to show that the mark applied for was not likely to deceive by reason of its resemblance to the opponents mark. Relevantly, s 42(2) of the 1905 Act provided that “the Registrar shall hear the applicant and the opponent, and shall decide whether the application is to be refused or whether it is to be granted...”. Section 44(2) provided that on appeal to the Court, “the Court shall hear the applicant and the opponent, and determine whether the application ought to be refused or ought to be granted ...”. The substantive provision in issue in that case was s 114 which provided relevantly that “No scandalous design, and no mark the use of which would by reason of its being likely to deceive ... shall be ... registered as a trade mark.” The difference between these statutory provisions and ss 55, 58, and 59 of the Act is striking.

36 For our part, we would add that the language of ss 44, 55, 58 and 59 is an insuperable obstacle to acceptance of Television’s principal argument.

37 We turn to consider Television’s alternative argument in relation to the shifting onus of proof in relation to the grounds of opposition in ss 58 and 59 of the Act. The judge below recognised that there are no cases concerning s 58 in which the onus has been held to shift, in any way, to the applicants: Her Honour said:

[34] The principle that the evidentiary onus in relation to ownership shifts in the circumstances submitted by the applicant has previously been promulgated in

the context of opposition to a trade mark on the basis of s 59 (*Health World Ltd v Shin-Sun Australia Pty Ltd* (2008) 75 IPR 478 at [163]) but not, so far as I am aware, s 58.

38 The concerns specific to opposition under s 59 of the Act do not readily translate to s 58 of the Act. In *Health World*, a case concerned with opposition under s 59 of the Act, Jacobson J said at (2008) 75 IPR 478 at [161]-[163]:

[161] The subjective nature of the intention, the presumption of intention flowing from the application for registration and the onus on an opponent usually make it difficult for an opposition, or an application for rectification, to succeed on this ground: see Shanahan at [2.120], [11.110]; A Dufty and J Lahore, *Lahore, Patents Trade Marks and Related Rights*, LexisNexis Butterworths, Sydney, 2006 at [55,580].

[162] However, there is authority for the proposition that where an applicant for registration has been put on notice that its intention to use the mark was in issue, and has not responded to the opponent's evidence, a finding of lack of intention may be made: *Philip Morris Products SA v Sean Ngu* [2002] ATMO 96; *Tommy Hilfiger Licensing Inc v Tan* (2002) 60 IPR 137; Shanahan at [11.110].

[163] The principle which underlies these authorities seems to me to be that the evidentiary onus shifts to the applicant for registration where an opponent makes a prima facie case of lack of intention to use the mark.

39 The difficulties of showing intention to use do not attend an attempt by an opponent to establish ownership through prior user; the opponent either has a case or it does not. Thus, there is no evident reason why a shift in the onus could arise in proceedings involving a ground of objection under s 58 of the Act.

40 With those general observations, we turn to consider the judge's determination of the issue under s 58 and Network's challenge to it.

THE ISSUE UNDER SECTION 58

41 "Applicant" is defined in s 6 of the Act to mean "the person in whose name the application is for the time being proceeding". By the same section, the word "person" "includes a body of persons, whether incorporated or not." The application of 28 August 2003 was made in the name of Channel. Television argued that at the time of the application for registration, Network was the owner of the mark. Television argued further that the assignment of the trade mark application by Channel to Network in January 2004 did not 'cure' the defect in the registration. Television also argued that Channel was not the owner at

the date of filing the application for registration. Television argued in the alternative that the evidence as to ownership of the mark at the time of registration was so confused that no finding could reasonably be made as to who was the real owner with the consequence that Network had failed to discharge the evidentiary onus which had shifted to it.

42 In support of these arguments, Television relied upon the following paragraphs of an affidavit sworn by Mr Lawrence on 31 October 2007:

1. I am the Founder and Managing Director of Food Channel Network Pty Ltd (**The Food Channel**) and am authorized to make this affidavit. [Network] is based in Queensland Australia.
...
5. In 1996, and with the advent of pay television being developed in Australia, **The Food Channel** trademark was created and a logo device attached to its name. In 1997 after filing the required documentation with our then solicitors MALLESON STEPHEN JACQUES which was then AIPO – (Australian Industrial Property Organisation) and after their search of the database that was conducted, it was concluded that there was no applications [sic] that had been filed or applications that were pending for the trademark – The Food Channel. The Food Channel trademark proceeded to registration without any opposition. The Food Channel is a REGISTERED AUSTRALIAN TRADEMARK – NUMBER 733265 – The Food Channel trademark has been registered in Australia since 1997 and is registered until 2017 when it again comes up for renewal. Annexed hereto and marked annexure H.
6. In 1998, **The Food Channel** created additional “The Food Channel” and “Food Channel” trademarks with logos and or a variety of fonts with “Food Channel” and The Food Channel” as the feature and began using them. There is no set formula in The Food Channel using the array of its trademarks. **The Food Channel** randomly uses the array of its trademarks throughout the course of its business and the services it provides.
...
9. **The Food Channel** is a company for the creation, development marketing, promotions implemented and distributed through multi media forms including but not limited to print, video production and distribution of programs using television, internet and websites of food and its associated industries in the entire food supply chain. **The Food Channel** creates recipes, writes articles, identifies news information, the creation of gardens of food from seedling to harvesting while reporting the progress in written form while also showing the progress and culmination of the harvest through visual moving images, produces cooking and food demonstrations, produces food videos, distributes beef, lamb, veal and other food products domestically and in international markets. **The Food Channel** was founded in 1997 and has been using its array of trademarks, is currently using all its trademarks and will continue to use all its trademark for the foreseeable future.

43 In other words, in this affidavit Mr Lawrence defined Network as **The Food Channel** and described all activities, in respect of trade marks and otherwise, as being carried out by **The Food Channel**. This founded Television’s submissions to the judge that Network, not Channel, was the owner of the mark when Channel made the application for registration. We note that when Mr Lawrence swore this affidavit, he was attempting to represent Network in the proceeding (the trade mark application having been assigned from Channel to Network). Mr Lawrence was also the founder and sole shareholder and director of both Channel and Network. As the primary judge noted at [77] (quoted below), any distinctions Mr Lawrence drew between his own interests and those of his companies were few, confused and random. The difficulty confronting a man who acts as his own lawyer is proverbial. We mention this, not by way of criticism of Mr Lawrence or to suggest that he was entitled to some special consideration, but simply to make the point that his evidence cannot be regarded as composed of the precise and careful utterances which might be expected from a qualified lawyer.

44 The judge, applying the “shifting onus” approach urged upon her by Television’s Counsel, came to the view that Television had made out a *prima facie* case that Channel was not the owner of the mark at the date of filing. On that basis, her Honour held that the onus of proof shifted to Network to establish that Channel *was* the owner of the mark at the time of application (at [38]). The judge said (at [46]):

I consider that it is also open on the facts for me to find that it is not possible to identify which of [Channel] or [Network] were the owner of trade mark 967804 at the relevant time. Accordingly, the evidentiary onus as to ownership shifts to [Network].

45 Later, the judge noted:

[77] The evidence before me is that Mr Lawrence tended to confuse his own business interests with those of his companies, and appeared to randomly use companies and trade marks depending on the circumstances. In this respect I consider that it is open on the facts to find that all companies controlled by Mr Lawrence were authorised to use trade mark 967804.

46 Her Honour went on:

[84] In summary, I do not consider that [Network] has discharged its evidentiary onus and established that [Channel] was the owner of trade mark 967804 at the filing date. In my view, while there is evidence to suggest that [Network] was the owner of trade mark 967804 both at the filing date and thereafter, the evidence also supports a conclusion that a finding as to ownership is not possible (other than, possibly, that the owner was Mr Lawrence himself). I

consider that this is a defect in the application to register trade mark 967804.

...

[90] I note the submissions of [Network] that Mr Lawrence tended to confuse his own business interests with those of his companies. However in my view the policy of the Act is clear. Section 58 requires that, at filing date, the owner of the trade mark must be identifiable, and must be the applicant. As I have already observed, this does not mean that, within a corporate group, there cannot be transfer of ownership and assignment of the application within the group as is commercially necessary. However in my judgment there must at least be *evidence* of this, as well as compliance with the Act.

[91] “Ownership” is a key concept within the Act, requiring certainty. The policy of the Act is clearly to vest an owner of a trade mark with important rights and powers (cf for example sections 20, 21, 22, 27, 58, 58A). I do not accept that the Act sanctions a position such that a person who is not the owner of a trade mark can nonetheless apply for registration of a trade mark (and may thus be opposed under s 58), but the application itself is somehow subsequently validated by later identification of the owner and that owner being assigned the application by the trade mark applicant. In circumstances where the position of ownership is so confused that the owner of the trade mark cannot be identified at the filing date (or indeed throughout the application process as appears to be the case here as a result of the conflicting evidence as to ownership), the application may be opposed pursuant to s 58 of the Act.

47 The judge concluded her consideration of the s 58 ground of opposition in the following terms:

[92] In my view the respondent has not discharged its evidentiary onus. I am not satisfied in this case that [Channel] was the owner of trade mark 967804 at the filing date. While there is evidence that the respondent was the owner at the filing date, in my view the confusion in the evidence tendered by the respondent is too great for me to make a positive finding to this effect. However, even if the respondent were the owner at all times prior to and/or during the application process the defect in the original application is not cured by the assignment of the trade mark application to the respondent. This defect is fatal to the trade mark application. The applicant to these proceedings has substantiated its claim pursuant to s 58 of the Act.

48 If the evidence was not sufficiently clear to enable a finding of fact to be made about ownership of the mark at the time of registration then Television had to fail on that issue: it bore the onus of proof. The primary judge reached the opposite conclusion. Her Honour reached that conclusion, in part at least, because of the unnecessary distraction of Television’s argument about shifting onus. There are a number of other reasons why we consider that her Honour erred in reaching that conclusion.

49 At common law, rights in a trade mark are established by use. The Act allows an applicant to obtain title to a trade mark prior to use, so long as the requirements in s 27 are met. Two requirements must be satisfied by an applicant who seeks to register a trade mark:

1. s 27(1)(a) requires that an applicant ‘claims to be the owner of the trade mark’, and
2. s 27(1)(b) requires that an applicant is either using or intends to use (or authorises or intends to authorise another to use) the mark in relation to the goods or services concerned.

50 The judge interpreted the requirement in s 27(1)(a) as being equivalent to proven, rather than claimed, ‘ownership’. Her Honour said at [78]: “The application of s 27(1)(b)(ii) is only relevant if s 27(1)(a) is satisfied, namely that the trade mark applicant is also the owner.” The terms of s 27(1)(a) do not support that approach.

51 McTiernan J explained in *Shell Co of Australia Ltd v Rohm and Haas Co* (1948) 78 CLR 601 (at 631):

the lodging of the application for the registration of [the mark] gave [the applicant] an inchoate title to that trade mark and an inchoate right to its exclusive use; the title and the right would cease if registration were refused, but if granted the title and the right would be confirmed and endure for the term of the registration. ... For a very long time it has been a fundamental principle of the legislation providing for the registration of trade marks that the lodging of an application for registration gives to the applicant certain rights in respect of the user of the trade mark of which registration is sought.

52 In the same case, Dixon J said that (at 627):

The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration.

53 In the United Kingdom, insertion of the phrase “claiming to be the proprietor” into the equivalent section of the *Patents, Designs and Trademarks Act* 1883 (UK) was considered to ameliorate the confusion over whether the previous Act did no more than provide for the registration of marks, ‘proprietorship’ in which had already vested via the common law, through use. So much was explained by Gummow J in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 31 IPR 375 (at 385-6):

The phrase ‘claiming to be the proprietor’ had not appeared in the comparable provisions of the first of the modern British statutes, the Trade Marks Registration Acts 1875-1877 (UK). After the passage of the 1875 legislation, there had been doubts as to whether the legislation did no more than provide for the registration of marks already distinctive by reason of use and, as such, protected at common law, or whether it enabled a person who had coined a trade mark to obtain registration and treat that registration as equivalent to prior public use; see, eg *Edwards v Dennis* (1885) 30 Ch D 454 at 473, 479. The doubt was resolved in favour of the wider construction of the 1875 legislation by *Re Hudson's Trade-Marks* (1886) 32 Ch D 311 at 319–20, 325–6. In the meantime, s 62 of the 1883 statute had come into force. The introduction of the phrase ‘claiming to be the proprietor’ was treated in the Sebastian’s, *The Law of Trade Marks*, 3rd ed, 1890, p 361, as having clarified the situation. The learned author said that ‘By “claiming to be the proprietor” nothing more is meant than “claiming to be the first to adopt”, whether there has been any user or not’. He added that ‘Since by s 77 a trade mark cannot be protected until either it has been registered or registration has been refused, it hardly seems that there can be any effective proprietorship until registration has been granted...’

54 Each of Mr Lawrence, Network, and Channel could have satisfied the basic requirement in s 27(1)(a) in the sense that, from the admittedly imprecise affidavit of Mr Lawrence, it could be inferred that each could ‘claim’ to be owner of the mark.

55 Section 58 of the Act provides that registration of a trademark may be opposed on the ground that the applicant is not the owner of the mark. In this context, the term ‘owner’ derives meaning from its common law origins relating to prior use. As explained in *Shanahan’s Australian Law of Trade Marks And Passing Off* (4th Ed) (at 380):

The first user is the person entitled to claim to be the owner and if the applicant is shown not to be the first user, the ground of opposition will be established.

56 In *Lomas, Cooper, Kiefel and Emmett JJ* said:

[39] The question of substance that is raised by the proceeding is what constitutes a use or user of a trade mark for the purposes of the statutory concept of ownership of the mark prior to registration. It is not necessary that there be an actual dealing in goods bearing a trade mark before there can be said to be use of that mark as a trade mark in Australia. For example, there may be use where goods intended to be imported into Australia have not actually reached Australia but have been offered for sale in Australia under the mark. It may even be possible to establish use where the mark has been used in an advertisement of goods in the course of trade in circumstances where there is an existing intention to offer or supply goods bearing the mark in trade or there is an actual trade or offer to trade in the goods bearing the mark - *Moorgate Tobacco Co Ltd v Phillip Morris Ltd and Anor* [No 2] (1984) 156 CLR 414 at 433-434. However, where there is no actual trade or offer to trade in goods bearing the relevant mark in Australia or any existing intention to offer or supply such goods in trade, but merely preliminary discussions and negotiations about whether the mark would be so used, there is no use so

as to constitute ownership of the mark (see *Moorgate Tobacco (No 2)* at 434).

...

[45] We are not persuaded, on the balance of probabilities, that the Advertisement by itself can be characterised as a use of the Trade Mark in relation to country kitchen services in the course of trade, such that it is possible to identify an intention, existing before the Priority Date, to offer or supply country kitchen services using the Trade Mark. That is the only basis advanced by Winton and the Company in support of the contention that Winton and not Mrs Lomas was the owner of the Trade Mark as at the Priority Date within the principles of the *Shell Co Case*. Further, we are certainly not persuaded that the Application should clearly be rejected on the ground that Ms Lomas was not the owner of the Trade Mark as at the Priority Date.

57 In practice, s 58 is usually invoked by a party with a *competing* claim to ownership (in the sense that they have demonstrated prior use of the mark) to remove a mark from the register. This was recognised by the judge:

[31] ... s 58 is conventionally used as a ground of opposition where disputing parties have had a business or contractual relationship, and are in dispute as to which of those parties is the true owner of the mark (*Shanahan's Australian Law of Trade Marks and Passing Off* (4th ed, Lawbook Co, 2008) p 380, cf Elkington B, Hall M, Kell D, *Trade Mark Law in Australia* (Butterworths, 2000) p 77).

58 Her Honour recognised that this will not necessarily always be so:

[31] ... s 58 does not confine opposition to registration of a trade mark to a party itself claiming ownership of that trade mark. Examples of cases in which claims – albeit unsuccessful – were made by a third party against the registered owner of a trade mark pursuant to s 58 are *Global Brand Marketing Inc v YD Pty Ltd* (2008) 76 IPR 161 and *Mobileworld Communications Pty Ltd v Q & Q Global Enterprise* (2003) 61 IPR 98. Indeed in this case the respondent has not disputed the standing of the applicant to oppose registration of trade mark 967804 on the ground of s 58.

59 The judge relied upon two of Television's arguments to substantiate its claim under s 58. First, that there was evidence Network was the owner (through prior use), and secondly, that there "is considerable confusion in relation to ownership of trade mark 967804 at the filing date, so that it may be impossible to make a positive finding in favour of either [Channel] or [Network] as to ownership." (at [45]).

60 The judge relied upon the sections of Mr Lawrence's affidavit reproduced above. There is no other evidence referred to in her Honour's judgement relating to this point. The strongest part, as far as Television is concerned, appears at [6] of Mr Lawrence's affidavit:

In 1998, **The Food Channel** created additional “The Food Channel” and “Food Channel” trademarks with logos and or a variety of fonts with “Food Channel” and “The Food Channel” as the feature and began using them. There is no set formula in **The Food Channel** using the array of its trademarks. **The Food Channel** randomly uses the array of its trademarks throughout the course of its business and the services it provides.

61 The courts should be cautious to allow the legal fiction of the corporate veil to defeat registration in a case where one of a group of companies, all controlled by the same directing mind and will, used the mark prior to the other. This is particularly so where, as here, the conclusion that the words **The Food Channel** in Mr Lawrence’s affidavit meant Network and only Network depends on a single opening definition in an affidavit drafted by a layperson, in a case where Network was the sole respondent attempting to answer a notified ground of opposition that Network was not the owner of the mark, and where any distinctions Mr Lawrence drew between his companies were few, random and confused. In this case, this evidence does not establish that Network was the *prior owner through use*. It may establish that Network used the mark at a time before registration, but it doesn’t negate the possibility that Channel was, in fact, also a user (and indeed the *first* user) of the mark before registration. Further, there is no evidence as to *how* the mark was used by Network. Use needs to be in relation to the goods or services claimed; on the only evidence before the Court, there was “no set formula” with regard to use. This tends against a conclusion that any mark was used by Mr Lawrence, Network or Channel to distinguish one company’s goods from another. Finally, the requirement of prior user *as a trademark* is that it is used to *distinguish* one’s goods from another’s: if Network did use the mark, there does not seem to be evidence of an attempt to use it in such a manner as to *distinguish* its goods from those of Channel. And of course, it is inherently unlikely that Mr Lawrence, as the directing mind and will of both companies, would have had any such an intention.

62 To treat Mr Lawrence’s statement that Network ‘created’ and ‘used’ the mark as exclusive of permitted use by Channel is counter-intuitive, given her Honour’s observation at [77] that the “evidence ...is that Mr Lawrence tended to confuse his own business interests with those of his companies, and appeared to randomly use companies and trade marks depending on the circumstances...”.

63 Whether Channel had demonstrated ownership through use, her Honour's conclusion was that any use demonstrated (use on menus, recipes, letterhead etc) was not in relation to the class for which the mark was registered:

[65] ... None of these uses appear to be with respect to "printed publications" within class 16 in relation to which application for registration of the trade mark was made. I do not consider that the respondent has demonstrated use by [Channel], which was the trade mark applicant of trade mark 967804, as a trade mark so as to establish ownership through use.

64 We will deal with this finding further in due course, but for present purposes it is sufficient to say that this is a further manifestation of the confusion that has resulted in this case from the unnecessary search which Television urged on the primary judge for an 'owner' (by reason of use) at the time of registration; the Act provides for registration *even without use*. Further, what is being looked for is *prior use such that it defeats the applicant's claim to ownership*. If, on the evidence, there was *no* prior use of the mark in relation to goods in class 16, then Television's opposition under s 58 must fail.

65 As to her Honour's conclusion that there was so much confusion regarding the mark that no true owner could be discerned, her Honour recounted the following evidence, at [45]:

1. Evidence that trade mark 967804 was apparently used by both [Network] and [Channel] in relation to menus (which are within the specification of trade mark 967804).
2. Evidence that the menus exhibited by [Network] which purportedly bear trade mark 967804 have a copyright notice in the name of "The Food Channel", and that at least two menus actually refer to [Channel] (Annexures X and Y to the affidavit of Paul Lawrence sworn 31 October 2007).
3. Evidence that a television licence agreement upon which [Network] relied as evidence of its use of trade mark 967804 was a licence agreement entered into by [Channel] (Annexure D to the affidavit of Paul Lawrence sworn 31 October 2007).
4. Evidence that recipes purporting to bear trade mark 967804 are in the name of "The Food Channel" and display [Channel's name] and its ABN 16 077 987 118 (Annexure F to the affidavit of Paul Lawrence sworn 31 October 2007).
5. Evidence that recipes purporting to bear trade mark 967804 have a copyright notice in the name of "The Food Channel" (Annexure J to the affidavit of Paul Lawrence sworn 31 October 2007).
6. Evidence that [Network] relied on various letterheads as evidence of use of trade mark 967804, but that all of the letterheads were of [Channel] (ACN 077 987 118 and ABN 16 077 987 118) (Annexure L to the affidavit of Paul

Lawrence sworn 31 October 2007).

66 Far from establishing a *prima facie* case that another party used the mark prior to registration, these pieces of evidence suggest that it was, indeed, Channel that used the mark. In any event, a finding that there was considerable confusion over who owned the mark means that this ground of opposition must fail given the onus on Television to establish any ground of opposition.

67 Section 27(1)(b) of the Act requires that the applicant use or intend to use, or authorise use or intend to authorise use of, the trade mark. The time at which this intention must exist is the date of application (in this case 28 August 2003). Only a very low threshold has been set with regard to intention to use in that the very act of making the application is, without more, sufficient to establish the requisite intention. In *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 Fullagar J said (at 401, footnote omitted):

There is another element mentioned by Dixon J in the *Shell Co.'s Case*, which is stated as essential to the proprietorship of an unused trade mark. That element is the intention of the applicant for registration to use it upon or in connexion with goods. As to this I need only say that I do not regard his Honour as meaning that an applicant is required, in order to obtain registration, to establish affirmatively that he intends to use it. There is nothing in the Act or the Regulations which requires him to state such an intention at the time of application, and the making of the application itself is, I think, to be regarded as *prima facie* evidence of intention to use. I cannot think that the Registrar is called upon to institute an inquiry as to the intention of any applicant, and I think that, on an opposition or on a motion to expunge, the burden must rest on the opponent or the person aggrieved, of proving the absence of intention.

68 Fullagar J went on to say (also at 401):

A manufacturer of (say) confectionery would, I should suppose, be entitled to register three trade marks in relation to confectionery, though he intended only to use two of them and had not made up his mind as to which two he would use. ... On the other hand, a manufacturer of confectionery, who had no intention of ever manufacturing motor cars, might be held disentitled to register a mark in relation to motor cars...

69 The position has changed somewhat since the decision in *Aston* in that s 92(4)(b) now provides for the removal of a mark that has not been used for three consecutive years, however there is no suggestion that this section applies in this case.

70 Given the available inference of use from the fact of application for registration, and the absence of evidence to rebut that inference, the Registrar's delegate correctly concluded that Channel was entitled to register the trade mark 967804.

71 In conclusion in relation to the ground of opposition under s 58 of the Act, we consider that on the very limited evidence before the court as to the way in which the mark was used before the date of registration, it well may be said that both Network and Channel used the mark, but it cannot be said that Network rather than Channel was the *first* party to use the mark as a trade mark in relation to goods in Class 16 or at all. And it cannot be said that Channel was *not* the first party use the mark in such a way. In this state of confusion, the incidence of the onus of proof means that the lack of clear evidence as to prior use is a fatal deficit in the opponent's case, not in the applicant's.

THE ISSUE UNDER SECTION 59

72 As has been noted, the filing of an application for registration of a mark is *prima facie* evidence of an intention to use that mark. Once an opponent has made out a *prima facie* case that there was a lack of intention to use a mark, it has been held that the onus shifts to the applicant to establish that intention (*Health World Ltd v Shin-Sun Australia Pty Ltd* (2008) 75 IPR 478).

73 Mr Lawrence, as the sole director of both Network and Channel, is the person whose intention is apt to determine the companies' intention. As was said in *Health World Ltd v Shin-Sun Australia Pty Ltd*:

[168] It is plain that Mr Shin is, and was, the controlling mind of Shin-Sun and that he was the proper person to give evidence of the company's intention. Nevertheless, he was not called until the last minute, only after I gave leave to reopen. Even then, his evidence was quite limited and did not disclose a positive intention on the part of Shin-Sun to use the healthplus trade mark on goods in class 5.

74 Mr Lawrence said that he intended to use the marks in relation to many aspects of Network's and Channel's businesses. The intention must exist at the date of application and it may be accepted that the primary judge's findings (at [108]) relating to use (or non-use) *after* the date of application may be relevant in drawing inferences as to the issue of intention as at the date of application (*Sapient Australia Pty Ltd v SAP AG* (2002) 55 IPR 638, at 645-

6). Nevertheless, Mr Lawrence's evidence was not challenged; and on this issue it was not inherently improbable.

75 In *Michael Sharwood & Partners Pty Ltd v Fuddruckers Inc* (1989) 15 IPR 188 (decided under the 1955 Act which did not provide for a presumption of registrability) the opponent used evidence that the applicant for a trade mark operated from a location at which it would have been illegal to provide the services (operation of a restaurant) for which the mark was registered. Further, as outlined by the Hearing officer in that case, the applicant for the mark made no attempt to adduce evidence to the contrary:

I consider the opponent's evidence here has also established sufficient doubt as to the real intentions of the four applicant companies with respect to use of the mark that their reg 8 statement does not discharge the obligation on them to satisfy me in this regard. They have had ample opportunity in terms of reg 44 to put in evidence in answer to the opponent's material, but have elected not to do so. In these circumstances I have no alternative but to find the opposition succeeds on this ground.

76 In *Danjaq LLC v Resource Capital Australia Pty Ltd* (2004) 61 IPR 651, it was held that an applicant had a lack of intention to use the challenged mark in circumstances where the applicant had a history of 'Cybersquatting' and allowing trade mark applications to lapse. The applicant had (at [35]):

... made twenty-two trade mark applications, all of which either have lapsed on the issue of a first adverse report from the trade mark examiner, or have lapsed after being advertised for opposition (or have, in this one instance, been opposed). The applicant has shown no interest in the prosecution of this or any other of its applications beyond their filing dates. I consider that it is possible to adversely infer that, if this application had not been opposed, it would have also lapsed. This history therefore also reflects on the applicant's intention to use the opposed trade mark and it is possible to draw an adverse inference that the applicant does not, or did not, intend to use the trade mark. These observations are not, I consider, necessarily inconsistent with my comments, below, about the applicant's possible intentions to traffic in trade marks.

77 The delegate had earlier stated (at [34]):

The observations of the court about the limited business activities of the applicant, the scope of the of the applicant's claims as to both goods and services on which it intends to use the trade mark (and the other trade marks for which it has sought registration) and the court's comments as to the untruthfulness of the applicant's sole officer, Mr Boland, are issues from which adverse inferences can be drawn about the applicant's intention/capacity to use the trade mark. The inference I would draw is that the applicant does not have the capacity or means to use the trade mark and that the expression of intention to use the trade mark inherent in the making of the

application was and remains ill-founded.

78 These cases are very different from the present case. In our respectful opinion, her Honour erred in finding that it had been established that Channel had no intention to use or authorise the use of the mark at the date of the application.

79 Her Honour also referred to the findings of the delegate that Mr Lawrence intended to use an amended version of the mark and not the mark as originally filed (see [4], above). A representation of the amended mark appears below:



80 Her Honour decided, upholding an argument put by Television, that the onus shifted to Network to establish that it had used the mark. Ultimately, Her Honour found this onus had not been discharged and indeed went on to make a positive finding that Television had established the lack of intention to use necessary to make good its opposition under s 59 of the Act. Her Honour said:

[102] In my view [Television] has made a *prima facie* case that [Channel] did not as at the filing date intend to use trade mark 967804. Further, I consider that [Television] has made a *prima facie* case that [Network] did not intend to use trade mark 967804. Accordingly the evidentiary onus as to intention shifts to [Network].

...
[106] First, [Network] does not dispute that the appropriate date for determination of this issue is the filing date, namely 28 August 2003. Accordingly it is necessary that, as at that date, the original applicant for registration – [Channel] – had the intention to use the trade mark (or other intention to which s 59 refers).

[107] Second, I accept [Television's] submission that the fact that [Network] and [Channel] had the same shareholder and the same director at all relevant times was, without more, of no moment in this context. [Network] and [Channel] are separate corporate entities. It is necessary that [Network] make a case as to intention. It has not.

[108] Third, I consider that the evidence before me is unsatisfactory not only as to the entity which may have used the trade mark, but when and whether the trade mark was actually used. In particular I take the view that it is unclear from the evidence tendered by [Network] and annexed to the affidavit of Mr

Lawrence sworn 31 October 2007 whether the use of trade mark 967804 as evinced by Annexures F, J, K, O, P, Q, X and Y was by [Network] or [Channel]. A visual comparison of these trade marks indicates the lack of clarity in that:

- documents in Annexure F all purportedly bear trade mark 967804, “The Food Channel – ABN 16 077 118”, and are undated;
- documents in Annexure J all purportedly bear trade mark 967804 and “© The Food Channel 2004”;
- documents in Annexure K all purportedly bear trade mark 967804, and “The Food Channel – ACN 079 015 339” and “© The Food Channel 2005”;
- documents in Annexures O all purportedly bear trade mark 967804 and “Copyright - The Food Channel – Sept 2006”;
- Annexure P purportedly bears trade mark 967804, and “© All rights reserved – The Food Channel” but is undated;
- Annexure Q purportedly bears trade mark 967804 and “Copyright – 2006 – The Food Channel”;
- Annexure X purportedly bears trade mark 967804 and “The Food Channel – ABN 16 077 987 118 / ACN 077 987 118” but is undated;
- one of the documents in Annexure Y purportedly bears trade mark 967804, “The Food Channel”, but is undated;
- other documents in Annexures Y all purportedly bears trade mark 967804 and “The Food Channel – ABN 16 077 987 118 / ACN 077 987 118” but are undated.

[109] Indeed the affidavit of Mr Lawrence states that the use is by [Network], but a number of the documents bear the ACN and ABN of [Channel], and a number of documents simply refer to “The Food Channel” which could mean either [Network] or [Channel].

81 The judge, having summarised the evidence, came to the following conclusion in relation to the s 59 issue:

[121] The issue for decision in relation to s 59 is whether the applicant, defined in s 6 as the person in whose name the application is for the time being proceeding, intended to use the trade mark. Mr Lawrence has never been an applicant for the trade mark. There is no evidence before me that either [Channel] (as the original applicant) or [Network] (after the assignment of the application for registration) ever actually used the amended version of the trade mark at any time, so as to show use of (or intention to use) the trade mark by either of those entities at any time. In my view Mr Lawrence’s evidence, rather than clarifying any intention to use in any of the companies which he controls and which have been trade mark applicants, confuses the issue further. There is no evidence before me that any use Mr Lawrence made of the amended version of the trade mark was in any way related to either [Channel] or [Network]. I do not find discussion of this issue by the delegate helpful – comments of the delegate in relation to use of the amended version are again confined to use of that amended version by Mr Lawrence (*Television Food Network G.P.* [2006] ATMO 88 at [12]).

[122] In my view [Television] succeeds in establishing lack of the requisite

intention for the purposes of s 59 of the Act. I consider that the delegate erred in finding that [Network] intended to use trade mark 967804 in relation to the goods nominated in the trade mark application. Had I not already found in favour of [Television] in relation to s 58 of the Act, I would be prepared to make the orders sought by the applicant on the basis of s 59

82 At this point, it must be noted that one of the annexures to para 9 of Mr Lawrence's affidavit referred to above was annexure F which was an email dated 23 January 2004 attaching recipes bearing the mark and the Australian Business Number of Channel. The importance of this annexure is that it was said by Network to be evidence of the use of the mark in connection with Network's trade in printed matter. It was not a document about which doubt had been expressed by the judge in terms of its authenticity. Mr Lawrence was cross-examined on para 9 of the affidavit, and in that cross-examination and re-examination he spoke of providing recipes to butchers for them to give out to customers. It was submitted by Television that it should be inferred that the mark was not used in connection with a trade in printed matter, but in connection with the sale of meat by Network. This evidence did not go so far as to destroy Mr Lawrence's evidence that the mark was used in connection with the business of supplying recipes. There was thus some evidence not found to be unreliable of use of the mark by Network in respect of Class 16 goods.

83 In this state of the evidence, the judge could not reasonably conclude that Television had discharged its onus on the s 59 issue. In *E & J Gallo Winery v Lion Nathan Australian Pty Limited* [2010] HCA 15 at [43], French CJ, Gummow, Crennan and Bell JJ approved the statement by the Full Court of the Federal Court in *Coca-Cola Co v All-Feet Distributors Ltd* (1999) 96 FCR 107 at [19] that:

Use as a "trade mark" is use of the mark as a "badge of origin" in the sense that it indicates a connection in the course of trade between goods and the person who applies the mark to the goods. ... That is the concept embodied in the definition of "trade mark" in s 17 – a sign used to distinguish goods dealt in the course of trade by a person from goods so dealt with by someone else.

84 Their Honours in the High Court went on to say [2010] HCA 15 at [44]:

It can also be noted that the reference in s 17 to "the course of trade" encompasses the idea that the use of a trade mark is use in respect of "vendible articles". A mark is used only if it is used "in the course of trade".

85 The evidence of the use of the mark is not apt to negative use by Network in the course of a trade involving recipes as "vendible articles". The evidence is not explicit one

way or the other as to whether Network sold recipes to butchers or whether the *quid pro quo* may have taken some other form. It is clear, however, that the evidence does not support the conclusion that the use of the mark on recipes distributed by Network is only in connection with a trade in meat or meat products carried on by Network or Channel or Mr Lawrence or third parties, and therefore not in connection with goods in Class 16.

OPPOSITION ON THE GROUND THAT THE MARK IS DECEPTIVELY SIMILAR TO TELEVISION'S MARK

86 Television's case of deceptive similarity, both before the primary judge and in this Court, was confined to the composite mark number 881667.

87 The learned primary judge and the delegate both considered that one aspect of Television's service claim, "publication of printed publications" (registered under class 41 – education; providing of training; entertainment, sporting and cultural activities) was closely related to the goods for which Network's mark was registered (printed matter – class 16). Her Honour had regard to evidence from two expert witnesses, one, Mr Allen, called by Television and one, Mr Geddes, called by Network:

[143] Mr Allen deposed that the words "Channel" and "Network" are commonly used interchangeably by the Australian television industry and media in general, and that there is a real and tangible possibility that the general public would perceive that goods and services bearing the brand "Food Channel" originate from the same source as the "Food Network" enterprise (affidavit of Richard William Allen sworn 6 September 2007 paras 19-20). Mr Allen also said during cross-examination that over time in the minds of Australians there had been a blurring of the distinction between the concept of "channel" and the concept of "network" (TS 108 ll 30-35).

[144] Mr Geddes deposed that, in his view, the trade marks are sufficiently distinct as to present no tangible danger of confusion (affidavit of Robert Warring Geddes sworn 30 October 2007 para 28). However Mr Geddes also gave evidence that:

- he agreed with Mr Allen that the words "Channel" and "Network" are used interchangeably by the television and advertising industry, and that the general public would perceive this to be the case (affidavit of Robert Warring Geddes sworn 30 October 2007 paras 15-16);
- used in isolation, it is possible that confusion could result from the terms "The Food Channel" and "Food Network" (affidavit of Robert Warring Geddes sworn 30 October 2007 para 23);
- members of the public who had seen a brand or a trade mark might have an imperfect recollection of it when they came to the market and looked at other trade marks (TS 130 ll 21-24);
- a member of the public will remember the essential elements of a trade mark (TS 130 ll 26-27);

- a member of the public will remember the words of the trade mark rather than the device (TS 130 ll 29-30);
- the trade marks of the applicant were “more of a text only device” (TS 133 ll 1-3).

[145] In summary, it appears that both expert witnesses agreed that:

- the words “Channel” and “Network” are used interchangeably in Australia; and
- there is a very real possibility that the audience for the trade marks (being the general population) would be confused by “Food Network” and “Food Channel”.

88

Her Honour went on to make the following findings:

[147] Further, and addressing specific submissions of [Network], I find that:

- the fact that the word “network” does not sound like “channel”, an issue raised by the respondent in written submissions, is in my view irrelevant. As the applicant submits, there are many cases in which relief has been granted in relation to marks which do not sound similar but the allegedly infringing trade mark has been found to be deceptively similar to the claimant’s mark (I note, for example, such cases as *Re Application by PPI Industries Pty Ltd* (1989) 17 IPR 667 (Poly drain and Poly Pipe), *Effem Foods Pty Ltd v Wandella Pet Foods Pty Ltd* (2006) 69 IPR 243 (“Whackos” and “Dogs go wacko for Schmackos”) and *Newell v Mattel Inc* (2001) 55 IPR 648 (Bar-B-Cute v Barbie) as well as the extensive list of such trade marks and decisions in the Appendix to Shanahan pp 955-982);
- the contention of [Network] that trade mark 967804 and the applicant’s trade marks are substantially different in appearance, and have no resemblance, is not an answer to a claim of deceptive similarity. That factor is of much greater relevance where the claimant alleges substantial identity between the trade marks under s 44(1);
- I do not accept the submission of [Network] that the words “Food Channel” do not constitute an essential feature of trade mark 967804. In my view, while there are various aspects to the trade mark, those words do constitute an essential feature;
- I consider this is also the case in relation to the applicant’s trade mark 881667 which features a circle which the words “food” and “network” overlap, with the word “food” above the word “network”;
- I do not accept the submission of the respondent that, in comparing the marks, it is necessary to have regard to each mark as a whole. The question for the Court is whether the marks are deceptively similar.

[148] In my view trade mark 967804 is deceptively similar to those of [Television] within the meaning of s 44(1) of the Act. Accordingly I find that the delegate erred in finding that trade mark 967804 was not deceptively similar to [Television’s] trade marks. Had I not already found for [Television] in relation to its claims pursuant to s 58 and s 59 I would be prepared to make the orders sought by [Television] in light of my findings in relation to s 44(1).

89 In *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536 at 538, the High Court, constituted by Dixon, Williams and Kitto JJ, said of the proper approach to the determination of the question whether one trademark so resembles another as to be likely to deceive that:

The proper approach to the answer to this question is well settled. It was summed up by Lord Parker (then Parker J.) in *In the Matter of an Application by the Pianotist Company Ltd. for the Registration of a Trade Mark* [(1906) 23 R.P.C. 774, in a passage appearing on p. 777.], “You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion – that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods – then you may refuse the registration, or rather you must refuse the registration in that case.” To the same effect see *Australian Woollen Mills Ltd. V. F.S Walton & Co. Ltd.* [(1937) 58 C.L.R. 641, at p. 658.]; *Reckitt & Colman (Aust.) Ltd. V. Boden* [(1945) 70 C.L.R. 84.], in this Court. It is sufficient if persons who only know one of the marks and have perhaps an imperfect recollection of it are likely to be deceived: *Aristoc Ltd. v. Rysta Ltd.* [(1945) A.C. 68, at p. 86.]. The onus of proving that there is no reasonable likelihood of deception lies upon the applicant for registration. If the question is left *in dubio* the application must be refused: *Eno v. Dunn* [(1890) 15 App. Cas. 252, at p. 256].

90 The High Court went on to say at 539:

But it is obvious that trademarks, especially word marks, could be quite unlike and yet convey the same idea of the superiority or some particular suitability of an article for the work it was intended to do. To refuse an application for registration on this ground would be to give the proprietor of a registered trademark a complete monopoly of all words conveying the same idea as his trademark. The fact that two marks convey the same idea is not sufficient in itself to create a deceptive resemblance between them, although this fact could be taken into account in deciding whether two marks which really looked alike or sounded alike were likely to deceive. As Lord Parker said in the passage cited, you must consider the nature and kind of customer who would be likely to buy the goods.

91 The approach to the comparison to be made between marks that are said to be deceptively similar was summarised by this Court in *Crazy Ron’s Communications Pty Ltd v Mobileworld Communications Pty Ltd* (2004) 209 ALR 1:

- [73] First, as the primary judge pointed out, the question of deceptive similarity of marks, unlike substantial identity, is not to be judged by a side-by-side comparison...
- [75] Second, the question of deceptive similarity involves factual issues in respect

of which similarities of sound may be important...

- [76] *Third*, it is necessary to show a tangible danger of deception or confusion, although it is enough if an ordinary person entertains a reasonable doubt...
- [77] *Fourth* ... the court must make allowance for the imperfect recollection a person may have of the registered trade mark in determining whether another mark so nearly resembles the registered mark that it is likely to deceive or cause confusion...
- [79] *Fifth*, the authorities also recognise that the concept of imperfect recollection may be applied to trade marks other than those consisting simply of an invented word (as in *Aristoc v Rysta* and *Berlei v Bali*). If a registered trade mark *includes* words which can be regarded as an essential feature of the mark, another mark that incorporates those words may well infringe the registered trade mark. The other mark may also infringe if there is a tangible danger of deception or confusion by reason of consumers retaining an imperfect recollection of the words constituting an essential feature of the registered mark.

92 The determination by the judge of the question whether the mark is deceptively similar to Television's trade mark was, no doubt, an evaluative exercise as to the outcome of which reasonable minds might differ. Because of the nature of that exercise, this Court may intervene only if it is first shown that her Honour's assessment was affected by error of fact or law. In our respectful opinion, the judge erred in principle in two respects. First, her Honour expressly declined to consider the comparison of the marks as a whole. Secondly, her Honour failed to appreciate that the necessary comparison was of marks used in different trades and that the evidence of Mr Allen was directed to the "Australian Television industry and the media generally" rather than the general public who may not be acculturated to equate the terms "Channel" and "Network". Counsel for Television did not seek to argue that her Honour did not err on the first point. While Television disputed the significance of the second point, the error of principle on the first point means that it falls to this Court to make its own evaluation on this issue of deceptive similarity.

93 Allowance is to be made for imperfect recollection. On that basis it may be accepted that the marks are suggestive of the same *idea*. As stated by Lord Herschell's Committee (cited by Latham CJ in *Jafferjee v Scarlett* at 121-122):

Two marks, when placed side by side, may exhibit many and various differences, yet the idea left upon the mind by both may be the same, so that a person acquainted with a mark first registered and not having the two side by side for comparison, might well be deceived if goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Take, for example, a mark representing a game of football; another mark may show the players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade-marked goods, and

relying, as they frequently do, upon the marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing.

94

But in this case, the following facts are significant:

1. The marks do not *look* the same. One involves a cartoon picture of a stylised television with a banana and chilli as the antennae. The other is simply a circle with the word ‘food’ overlaid upon it. The trade context in which confusion may occur is one where the visual differences are significant.
2. The marks, when spoken, do not *sound* the same. In comparison with cases such as “Crazy John’s” and “Crazy Ron’s”, and “Burlei Bras” and “Bali-Bras”, “Food Channel” and “Food Network” do not have the same aural similarities.
3. The only common feature of the marks is the word “food”.

95

It must be borne in mind that s 20 of the Act gives the registered owner of a trade mark the exclusive right to use the mark and to authorise its use “in relation to” goods of the relevant kind. The question which arises under s 44 of the Act is whether Network’s mark is deceptively similar to Television’s trade mark “in respect of similar goods or closely related services”. Television’s trade mark is registered in respect of class 41 services, that is in relation to “Education; providing of training; entertainment, sporting and cultural activities”. Consideration of the possibility of deceptive similarity required a comparison bearing in mind the difference between the trade in class 16 goods and the trade in class 41 services. The differences between the two marks are so significant, considered in relation to the different trades in which they are used, that we are unable to conclude that Network’s mark is likely to deceive or cause confusion that goods bearing its mark originate from Television.

THE REJECTION OF LAWRENCE-4

96

By notice of s 195(2) of the Act leave to appeal against the judgment of the primary judge was required. In that regard, leave was granted by Reeves J on 4 December 2009.

97

The fourth affidavit by Mr Lawrence sought to clarify the position in relation to the circumstances of the creation of the mark and Network’s claim to ownership. The affidavit included the following:

6. I created the name THE FOOD CHANNEL IN 1997 which I registered as a business name, and later created the trade mark which is shown in application 733265. [NB: this is not the Trade Mark, but a related one.]
7. After the registration of the company and prior to the application for the trade mark 733265 (about early April 1997) I assigned all my trading assets and goodwill including intellectual property to the newly formed company [Channel]. Mallesons Stephen Jacques solicitors arranged for the assignment agreement which was duly signed and stamped. I no longer have the originals of these documents as they were lost or destroyed in moving office and residence on a number of occasions over the last 11 years.
8. Trade Mark 733265 was assigned from [Channel] to [Network] on the 15th January 2004 and filed with the Trade Mark Office on the 4th February 2004. Annexed hereto and marked annexure "C" is a true copy of the assignment together with an extract from IP Australia of the registration of the assignment.
9. [Channel] made the application for the trade mark as depicted in 967804 on the 28th August 2003. It was always the intention that [Channel] would use the trade mark. At a later time it was decided to transfer the ownership of the trade mark to [Network] but licence back the right to use the trade mark to [Channel]. In this way both companies had the right to use the mark but the ownership would be with the company which was intended to exploit a world wide network of operations.
10. Trade Mark 967804 pending was assigned from [Channel] to [Network] on the 15th January 2004 and filed with the Trade Mark Office on the 20th January 2004. Attached hereto and marked annexure "D" is a true copy of that assignment together with an extract from IP Australia of the registration of the assignment.
11. From the time of the assignment of the trade marks to [Network], it authorised the use of the trade marks by [Channel]. A formal Licence Agreement was drawn up between the parties on or about that time however the original documents have been lost or destroyed although a copy of the document is on my computer. Attached hereto and marked annexure "E" is a true copy of that licence agreement.

98 This evidence tends to support findings that Mr Lawrence created the mark, assigned it to Channel which assigned it to Network which in turn authorised Channel to use the mark.

99 It may be acknowledged that this material was proffered late, and in circumstances where Television otherwise would not have an opportunity to test the veracity of Mr Lawrence's assertions that the documents reflecting the arrangements sworn to by him had been destroyed. Nevertheless, the fact of the assignment of the mark by Channel to Network was a matter of public record of which Television was aware, and the new evidence went to clarifying matters of corporate house-keeping which could easily have been clarified further,

if necessary, in cross-examination. Indeed, it is apparent from her Honour's reasons that she proceeded upon the understanding that the issues addressed in Mr Lawrence's fourth affidavit would be explored in cross-examination by Counsel on behalf of Television so that Mr Lawrence would be afforded the opportunity to provide an explanation of the arrangements in question.

100 In the event, the cross-examination of Mr Lawrence by Counsel for Television did not touch on these issues. We mention this, not by way of criticism of Television's Counsel, but to make the point that the primary judge's decision to decline to admit the affidavit into evidence was based upon an unsound expectation that Network would not be denied the opportunity to make the points made in the affidavit: the comprehensive presentation of Network's case could not reasonably have been left to the mercy of its adversary.

101 In our respectful opinion, the learned primary judge erred in rejecting this evidence.

THE REJECTION OF LAWRENCE-5

102 In Network's Notice of Appeal, no complaint was made about the judge's rejection of Lawrence-5. Leave to amend the Notice of Appeal to make a complaint on this score was sought by Counsel for Network during their oral argument in reply at the hearing of the appeal. It was said that this application was prompted by the circumstance that Television advanced an argument that the only use of the mark established by the evidence was not in connection with Class 16 goods, i.e. printed matter etc.

103 We are respectfully unable to accept that Network was taken by surprise by this argument. The judge made a distinct finding accepting Television's argument at [65] of her Honour's reasons set out above. It was always clear that this finding was an obstacle to success for Network. We would not be disposed to allow this aspect of the case to be reopened at this late stage. Network should not be granted so late an indulgence unless it was essential to do so in order to prevent a glaring injustice.

104 In the event, because of our conclusion in relation to the resolution of the other issues, it is unnecessary to consider whether Network suffered an injustice because of the judge's objection of Lawrence-5. This is because it follows from the above conclusions that Television did not establish any of its grounds of opposition.

THE COSTS ORDER

105 On 30 November 2007, the primary judge ordered the parties “to attend, participate in and act reasonably and genuinely in a mediation to be conducted at a time and place to be agreed between the parties. It was ordered that “the mediation [was] to be conducted by a Registrar of the Court or such other mediator as agreed between the parties” and that the mediation was to occur by 4.00 pm on 13 February 2008.

106 On 7 December 2007, a Registrar of the Court sent a letter to the parties notifying them that a mediation conference had been listed at 9.30 am on 22 January 2007[sic]. The letter was sent to the appellant’s address for service on the court file however Mr Lawrence says that this letter was not received by Channel. It appears that this was because the appellant had changed its address but had not notified the court of this change.

107 On 22 January 2008, the Registrar wrote again to the parties noting that the “mediation is to be conducted by a Registrar of the Court or such other mediator as agreed between the parties.” The letter went on:

It has been assumed, in the absence of advice to the contrary, that the parties require the mediation to be undertaken by a Registrar. To that end, a mediation conference has been listed for 10.00 am on 4 February 2007 [sic].

108 Mr Lawrence says that the Registrar’s letter of 22 January 2008 was received by Channel on 24 January 2008. He says that on 25 January 2008, he instructed a firm of solicitors to appear on behalf of Channel at the mediation conference set down for 4 February 2008.

109 On 30 January 2008, the solicitors instructed by Mr Lawrence informed him that they would not be able to be ready to attend the mediation on 4 February 2008. The solicitors suggested that Mr Lawrence should contact the Registrar to seek an adjournment of the mediation to a later date, but before 13 February 2008. On 31 January 2008, Mr Lawrence sent an email to the Registrar (with a copy to Television’s solicitors) in which he advised that the 4 February date would not give his side “sufficient time to prepare for the mediation.” His email went on to propose 12 February as an appropriate date.

110 An exchange of emails then issued, the upshot of which was that, because the Registrar was not available to mediate on 12 February 2008, the Registrar maintained the 4

February date. Despite this, the Registrar sent an email on 1 February 2008 confirming his oral advice that the 4 February date had been vacated and that the matter had been listed for directions before the primary judge on 5 February 2008.

111 On 5 February 2008, the primary judge ordered that Channel pay Television's costs thrown away as a result of the abandonment of the mediation. These costs were to be paid on an indemnity basis.

112 On 4 June 2009, Channel sought leave to file and serve an appeal out of time against the order of 5 February 2008. This application was heard by Reeves J who noted that Channel's application was misconceived in that, because the order of the primary judge was interlocutory, leave was required for an appeal pursuant to s 24(1A) and O 52 r 10 of the *Federal Court Rules*. Reeves J proceeded to treat Channel's application for an extension of time as an application for leave to appeal under O 52 r 10.

113 In order to comply with O 52 r 10, Channel was required to lodge its application for leave to appeal within seven days of the order being made. Accordingly, Channel was about 15 months out of time when it filed its application on 5 June 2009. Channel's explanation for its delay was that it did not become aware of the circumstances surrounding the setting down and abandonment of the mediation for 4 February 2008 until its solicitors received a response to a request for information under the *Freedom of Information Act 1982* (Cth) on 12 May 2008. By that time, it was already three months out of time to seek leave to appeal against the order of 5 February 2008.

114 Reeves J was prepared to accept this explanation as plausible and went on to grant the necessary extension of time and leave to appeal in respect of the order of 5 February 2008. Leave having been granted, it is necessary to deal with the appeal on its merits.

115 In the circumstances, it is difficult to see that Network was solely responsible for the frustration of the order for mediation, much less that it had frustrated the Court's order by culpable recalcitrance on its part. In particular, it is difficult to see that Network breached the order of 30 November 2007 at all.

116 Although we are unable to accept the submission made on Network's behalf that whether or not there should be a mediation at all was a matter for agreement between the parties because it is, we think, tolerably clear that in default of any agreement as to a different mediator the mediation would be conducted by the Registrar, the order did leave it up to the parties to agree upon the time and place for the mediation before 13 February 2009. Network had not been invited to agree to a mediation on 4 February, and it proposed a mediation on 12 February 2009.

117 In our respectful opinion, the primary judge erred in proceeding on the footing that the order for the mediation was frustrated by misconduct on Network's part. The order of 30 November 2007 contemplated that Network was entitled to consult its own convenience as to the timing of the mediation, and on the only occasion when it was afforded an opportunity to do so, Network showed itself willing to mediate within the time frame set by the order.

ORDERS

118 We would make the following orders:

1. Allow the appeal with costs, set aside the judgment in QUD 103 of 2009, and dismiss the opposition to the application for registration of the mark 967804.
2. Allow the appeal in QUD 132 of 2009 with costs, and set aside the order for costs dated 5 February 2008.