

Trade Marks Legislation Review

Paper 3

30 September 2004

Introduction

IP Australia is conducting a Review of the Trade Marks Act 1995 and Regulations subsequent to their implementation on 1 January 1996. The aim of this Review is to:

- determine whether or not the trade marks system is operating as envisaged in 1995; and
- if the trade mark system is not operating as envisage then why not; and
- whether this is a problem and suggest possible solutions; and
- identify areas that are causing problems and identify possible options for solving these problems.

The outcomes of the Review will be used to suggest legislative changes to the Australian Government.

Since this Review commenced in 2002, IP Australia has sought general submissions from the public, trade mark users and trade mark professionals, and released two issues papers. This is the third such paper.

IP Australia seeks comments on the issues and options raised, and alternative suggestions for overcoming the problems that have been identified by 31 October 2004. Written submissions in response to this paper can be sent to:

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Part 3

1. Section 22

Issue: Subsection 22(1) should be limited to rights vested in another party only where there is notice of those rights in the Register. Subsection 22(2) conflicts with subsection 22(1) and confuses the intention of that subsection.

Discussion: IPTA wrote "Section 22 deals with the power of the registered owner to deal with a trade mark. As presently worded, subsection 22(1) will protect any bona fide assignee against subsequent dealings in the trade mark whether or not that assignee is recorded on the Register.

However, subsection 22(2) conflicts with subsection 22(1) and confuses the intention of that subsection. While subsection 22(2) may purport to provide protection for a third party who deals with the registered owner with "clean hands" any other dealing with the proprietor would hardly have the protection of 22(1) in any case.

There is also a question as to whether or not subsection 22(1) should be limited to rights vested in another party only where there is notice of those rights in the Register. Otherwise, an assignee will never know if a further party may subsequently produce an earlier dated assignment and claim rights in the trade mark. I believe 22(1) should be restricted to provide certainty."

When the *Trade Marks Act 1995* was being drafted, the inclusion of the words "appearing in the Register" in section 22 was considered. However the inclusion was considered not appropriate because if another person has acquired rights in the trade mark, that person should be able to defend those rights regardless of whether they are reflected in the Register or not. That view appears to be consistent with the decision of the court in the PARAGON shoes case (1988) AIPC 90-531 where it was held that despite the current owner of the trade mark not having applied to have its title recorded, its title could nevertheless be exerted, its ownership of the mark retained and use by it defeated a non-use application.

The Trade Marks Office is aware of one case where an unrecorded assignee has come forward to have the Register corrected after a later assignment had been recorded. In that case the party who became the registered owner, by virtue of the later executed assignment, acknowledged that the trade mark had been sold earlier and should not have been included [by the attorney] in the later assignment.

The *Designs Act 2003* has followed the *Patents Act 1990* and both subsection 189(1) of the Patents Act and subsection 12(1) of the Designs Act restrict the powers of the registered owner to deal with the registered owner's interest in the patent or design as absolute owner of it, subject to any rights appearing in the Register to be vested in another person.

Proposal: Amendment is proposed to bring the Trade Marks Act into line with the Patents and Designs Acts.

Part 4

2. Section 33 - Presumption of Registrability (referred from ACIP)

Issue: An amendment may be needed to give effect to the initial intent that the presumption of registrability expressed in section 33 should operate when a trade mark is examined for its capacity to distinguish under section 41. (*see Blount Inc v Registrar of Trade Marks [1998] 440 FCA (1 May 1998) (Oregon)*)

Discussion: It has been suggested that the presumption of registrability expressed in section 33 should operate when a trade mark is examined under sections 41 and 44. The clear intention of the Government was that the 1995 Act would apply a presumption of registrability across all grounds of rejection. This intention was also stated in Recommendation 4A of the Working Party's "Recommended Changes to the Australian Trade Marks Legislation" July 1992. However the *Oregon* decision limited the application of presumption of registrability.

There is now a body of case law referring to the presumption of registrability and section 41. These judicial decisions together with consequential changes in office practice have meant that the presumption of registrability is applied in a way which is broadly consistent with the initial intent. Examiners appreciate that an assertion about a ground of rejection must be based on an established and reasonably held belief, able to be explained and justified. Office practice is that where this cannot be done, the benefit of the doubt must go to the applicant.

There is also a danger that amending sections 33, 41 and/or 44 may have broader consequences. This is such a central part of the Act that the need to consider these broader linkages is even more important than usual. Do we want for example, an amendment that makes clear that the 'presumption of registrability' applies only to grounds as they are considered at examination or should it extend to consideration in opposition? Notwithstanding this risk, the Industry Reference Group believes the presumption of registrability is such an important principle that there is a need to ensure that the provisions in the Act are clear and give effect to the Government and Working Parties intent. Against this background, the Office accepts that it is desirable to achieve the original intention of the Working Party and the Government and that the legislation needs amendment to ensure that the presumption of registrability applies across all grounds of rejection.

Proposal: Your comments are invited regarding (a) whether a legislative change is required to incorporate the presumption of registrability throughout examination and if so, (b) should we ensure the same threshold applies in examination and opposition, (c) whether there are areas where the presumption should not apply, (d) are there any links with other parts of the Act that require particular attention and (e) whether you have any suggestions for appropriate change.

3. Regulation 4.13 - Deferment

Issue 1: Should the Registrar be able to defer acceptance of a trade mark application on his/her own volition in the following situation? Occasionally after an application

has been opposed, the applicant re-files the application or files a new application for the same trade mark which covers some or all of the same goods and/or services.

Discussion: This is particularly an issue where there are no grounds for rejecting the later application during examination and the application is cleared at the first report stage. There have been some cases where an application has been opposed and the applicant has refiled the application. The opponent has not been watching for a later application and consequently has not opposed it. The later application has been registered before the opponent has become aware of it. It would seem to be inappropriate to register the later filed application whilst there is opposition under way on the earlier application. However there is currently no legislative basis for delaying acceptance of the later filed application if it is in order.

Subregulation 4.13(2) provides that the Registrar may defer acceptance of a trade mark application on his/her own volition in certain circumstances. This subregulation could be amended to include the situation where an application has been opposed and the applicant re-files the application or files a new application for the same trade mark which covers some or all of the goods and/or services currently in the earlier, opposed application. The deferment would continue until the opposition process has been completed.

The applicant may then choose to withdraw the later application. If the later application is not withdrawn, it would be examined, accepted where appropriate and advertised for opposition purposes.

Proposal: A new provision could be inserted into subregulation 4.13(2) to provide that the Registrar may defer acceptance of a trade mark application on his/her own volition where an application has been opposed and the applicant re-files the application or files a new application for the same trade mark which covers some or all of the goods and/or services currently in the earlier, opposed application. The deferment would continue until the opposition process has been completed.

Issue 2: Consideration should be given to amending regulation 4.13 so that deferment can be requested where a cited trade mark goes into 'expired renewal possible' at any stage after the first report issues - not merely within the first 15 months.

Discussion: Applicants and their agents often endeavour to overcome citations by making submissions, providing evidence of use and attempting to negotiate with the owner of the cited trade mark. There have been situations where these activities are still under way when registration of the cited trade mark has expired and the registration has not been renewed. If this happens before the end of the 15 months from the first report, the applicant can request deferment under subparagraph 4.13(1)(c)(v). However, it is not possible to request deferment if the 15 months has elapsed. Where the applicant has been actively seeking to overcome the citation, it would seem unfair for them to be forced to seek, and pay for extensions of time, for the next 12 months until the registration is either renewed or removed.

Proposal: An amendment to regulation 4.13 is proposed so that the Registrar has the discretion to defer an application after the end of the period referred to in paragraph 4.13(1)(a), where registration of a cited trade mark has expired, but renewal is possible.

Issue 3: Deferment should be allowed where an International Registration (IR) is less than 5 years old and the basic trade mark has been the subject of central attack in the Country of Origin.

Discussion: Domestically, deferment is provided where there is a possibility that action through a court or an opposition process will result in a cited mark, which prevents the registration of another mark, being removed. IRs are vulnerable for a period of 5 years (the dependency period) after the international application has been filed. Where the scope of a basic trade mark is restricted or a basic trade mark ceases to exist, Article 6 of the Madrid Protocol provides that the IR which is based on it ceases to the same extent. This also applies where a basic trade mark is limited or ceases after the 5 year period as a result of an action which commenced within the dependency period. When restriction or cancellation happens under Article 6, the holder has 3 months in which to apply to transform the IR into a national application in any or all of the designated countries. If this occurs, the transformed application has the benefit of the filing date and any priority date of the IR.

In Australia, the transformed IR will be afforded the same priority date(s) and will have the same status, as the International Registration Designating Australia (IRDA) or Protected International Trade Mark (PITM). If protection had been extended in Australia to the PITM, the transformed national 'application' would become a registered trade mark in Australia. If examination of an IRDA had occurred, the holder would be given the balance of the 15 months in which to overcome any objections raised during examination.

In many cases, Australia is subsequently designated under the Madrid Protocol. In these cases the IR is often past the 5 year dependency period before Australia is designated.

There is potential for a deferment on the grounds sought above, to delay processing of another application for many years particularly where there are opposition or court proceedings in the Country of Origin. Even where the overseas proceedings are successful and the basic trade mark ceases, the holder can apply for transformation in Australia and the resulting application or registration will remain a citation. This process happens “on request” there are no criteria to be met. So where the owner of a cited mark has any interest in maintaining their rights in Australia the “central attack” will not be successful in removing the barrier to registration. Given the little likelihood that a Central attack will make a material difference to the state of the Register, and given that action could in any case be taken in Australia, it appears that deferment on these grounds may introduce extended delays for little benefit.

Proposal: An amendment to regulation 4.13 is not proposed.

4. Regulation 4.13 – deferment of acceptance

Issue: Is ‘deferment of acceptance’ the most appropriate term to use to describe deferment?

Discussion: Regulation 4.13 allows an applicant to apply for deferment of acceptance of their application in certain circumstances. Regulation 4.12 provides that an

applicant has 15 months before their application lapses. It would be more correct to say that the applicant can apply for *deferment of lapsing* of his/her application. During deferment, applicants are still able to, and often do, continue to respond and prosecute their application. Where a response overcomes the objections raised in an examiner's report and places the application in order for acceptance, the application is accepted. The 15 months allowed by virtue of regulation 4.12 before an application lapses, is suspended, however the application can still be accepted.

It would appear to be more accurate to use the term 'deferment of lapsing' as this is what happens. The proposals relating to changes in the regime of examination timeframes will impact on the approach to this question.

Proposal: It is proposed to amend the term 'deferment of acceptance' to use language that more closely reflects what occurs.

5. Section 42 - Contrary to law

Issue 1: Should subsection 42(b) be amended to ensure that examiners do not need to consider legislation beyond the *Trade Marks Act 1995*?

Discussion: Where there is information before the examiner regarding other Australian legislation which restricts the use of certain signs whether they are letters, words, expressions or emblems, objections are taken during examination. When the Office becomes aware of such signs, they are checked and then entered on the Trade Marks database with a -9000000 number and appear first in search results. For example, the *Defence Act*, section 83, protects all defence emblems, badges and similar insignia. The word BANK and other financial letters, words and expressions are protected by virtue of sections 66 and 66A of the *Banking Act 1959*. These are just two examples.

Examiners will continue to raise a ground of rejection under subsection 42(b) where their search of the Trade Marks database locates a relevant -9000000 sign. It is appropriate that the opposition process be used to deal with other legislation such as the Trade Practices Act or Copyright issues.

Proposal: No amendment to subsection 42(b) is proposed.

Issue 2: Should paragraph 42(b) be amended to add a new ground of opposition, if use of a trade mark is contrary to other Australian legislation?

Discussion: As stated in the issue above, it is appropriate that the opposition process be used to deal with other legislation such as the Trade Practices Act or Copyright issues. It is acknowledged that the tests for the current grounds of opposition such as section 60 and section 52 of the *Trade Practices Act 1974*, for example, are vastly different and may create some difficulties for a Hearing Officer. However, where the Hearing Officer is made aware of other legislation which a party to the opposition relies on, it is the Hearing Officer's role to consider that legislation.

Proposal: No amendment to subsection 42(b) is proposed.

6. Section 45 - Divisional applications (Refer also item 13 of paper 1)

Issue: "This section of the Act is very complex and should be simplified."
(submission)

Discussion: Item 13 of Paper 1 stated: "The complexity appears to arise from the fact that divisional applications can be filed in three situations – (1) for part of the initial trade mark, (2) for the initial mark and some only of the goods and/or services and (3) for the initial mark and goods and/or services that have been deleted from the initial application. Each of these types of divisional applications have different time periods. It would appear that there may be justification for simplifying Division 3 of Part 4 of the Act."

Division 3 of Part 4 of the Act currently provides that it is possible to file a divisional application for registration of a pending application for:

- 1 *A part of the initial trade mark for some or all of the goods and/or services covered by the initial application.*
This divisional application may be filed within six months of the filing of the initial application, but cannot be filed after acceptance of the initial application has been advertised in the *Australian Official Journal of Trade Marks* (AOJTM).
- 2 *Registration of the initial trade mark for some **only** of the goods and/or services still covered by the initial application on the day the divisional application is filed.* This divisional application may be filed before acceptance of the initial application has been advertised in the AOJTM.
- 3A *Registration of the initial trade mark for some or all of the goods and/or services which have been deleted from the initial application **before** that application is accepted.*
This divisional application must be made within one month after notification that the deletion has been effected but may not be made after the acceptance of the initial application is advertised in the AOJTM.
In many cases the deletion of the goods and/or services may lead immediately to acceptance of the initial application, in which case the applicant does not have one month but a much shorter period in which to file this divisional application. There is a lack of certainty here as there is potential for a user to search the Trade Marks Database after the goods and/or services have been deleted and before the divisional application is filed and therefore not be aware of the existence of a crucial earlier application.
- 3B *Registration of the initial trade mark for some or all of the goods and/or services which have been deleted from the initial application **after** that application is accepted.*
This divisional application must be made within one month after notification that the deletion has been effected and before registration of the initial application.
There is a lack of certainty here also as there is potential for a user to search the Trade Marks Database after the goods and/or services have been deleted and before the divisional application is filed and therefore not be aware of the existence of a crucial earlier application.

The complexity of divisional applications comes partly from the different types of divisional applications possible and also from the varying time frames for each type of divisional application.

Since Paper 1 was issued further consideration has been given to the ways in which the divisional provisions of the Act can be simplified. It is proposed that there only be one type of divisional application.

- *An application to divide an application into two, both bearing the initial trade mark and each relating to some only of the goods and/or services still in the initial application on the day the divisional application is filed.*

It is proposed that such a divisional application be permitted whilst the initial trade mark application is pending whether or not it has been accepted.

Because the goods and/or services will always have been on the database there will be no surprises and certainty will prevail.

It is not proposed to provide for a divisional application for part of the initial trade.

Under section 47 it is currently possible to file a trade mark that consists of a known term and to divide it later into different applications with different parts of the initial marks all of which retain the earlier filing date even where the divisional marks would not be seen as having any connection or relationship with the first trade mark. It does not seem to be appropriate to continue to provide for this situation.

Is it appropriate that an applicant who files “POLAR BEAR” or “SPONGE CAKE” or “FRUIT SALAD” should be able to gain the same priority dates for “POLAR” and “BEAR” or “SPONGE” and “CAKE” or “FRUIT” and “SALAD”? It also disadvantages applicants who file applications after searching the Trade Marks database and finding only the original trade marks, but who then have the divisional cited against their application because it takes the filing date of the initial application.

Deleting part of a trade mark is not permitted under either section 65 or 83 where the amendment will substantially affect the identity of the trade mark as at the time when the particulars of the application for the registration of the trade mark were published under section 30.

It is possible to file an application for a series of marks and the valid members of the series all have the same filing date, however the differences in the marks are minimal and the rights essentially do not change.

If the ability to file a divisional application for part of the initial trade mark is to be maintained, the divisional application must be filed within three months of the filing date of the initial application. This limited period would provide more certainty for applicants who file an application after the date of the initial application.

It should also be limited to some, but not all, of the goods and/or services still in the initial application on the day the divisional application is filed.

Proposal: It is proposed that Division 3 of Part 4 of the Act be amended to provide that a divisional application may only be filed to request that the application be split into two, both bearing *the initial trade mark and each relating to some but not all of the goods and/or services still in the initial application on the day the divisional application is filed* - permitted whilst the initial application is pending, regardless of whether acceptance has occurred.

Part 5

7. Section 52 - Opposition

Issue 1: The relationships between sections 60 and 58 on one hand and subsections 44(3) and (4) on the other are of concern to the Law Council. An amendment to section 60 may be necessary to restore the effect of the legislation to that achieved under the 1955 Act.

Discussion: Section 60 provides grounds for opposition to registration on the basis of a trade mark, not necessarily a registered trade mark, which has acquired a reputation in Australia. The Federal Court has held that the honest concurrent use and prior use provisions of subsection 44(3) do not apply where an opposition has succeeded on section 60 grounds. Justice Kenny in *McCormick & Company, Inc v McCormick* [2000] FCA 1335 (15 September 2000) found that the provisions of the current Act do not work in this way. The Act provides protection for greater reputation rather than earlier and continuous user.

If the current legislation is not amended, reputation will continue to prevail over established use as in the McCormick's case. However it may be appropriate for the legislation to be changed so that where an applicant can show both honest concurrent and prior use, that user will prevail and the application may be able to proceed perhaps only for the area of established use.

Where a person has developed localised goodwill over some years before another party developed a reputation in the same or very similar trade mark, there is a view that the Registrar should be able to decide, where appropriate, that both parties are able to continue to use and have protection for their trade marks. In order to provide for this the legislation requires change so that evidence under section 44 (honest concurrent or prior use) could be sufficient depending on the extent of later proven reputation. In some cases, the earlier registrant could also have their trade mark registration restricted to the area of use. This should apply in cases of sections 60 and 58.

Proposal: It is proposed to amend sections 60 and 58 so that evidence of honest concurrent and/or prior use *may* provide a basis for defence against those grounds of opposition.

Issue 2: A ground of opposition should be added where an application has been accepted under the provisions of subsection 44(4) and the opponent can establish evidence of prior use.

Discussion: Acceptance of an application under subsection 44(4) may be obtained by showing use of the trade mark continuously from a date before the priority date of the earlier cited trade mark. This may be relatively simple. However, unless the trade marks are substantially identical it may not be as easy for the owner of the earlier trade mark to successfully oppose registration of the later filed trade mark. Section 58 does not apply where the competing trade marks are deceptively similar, but are not substantially identical.

A new ground of opposition is required where the opponent can show that they, or another party, are the owner of a substantially identical or deceptively similar trade mark that was used before the date of first use of the opposed trade mark and has been used continuously since then.

Proposal: A new ground of opposition is proposed where the opponent can show that they, or another party, are the owner of a substantially identical or deceptively similar trade mark that was used before the date of first use of the opposed trade mark and has been used continuously since then.

8. Section 61 - Trade mark containing or consisting of a false geographical indication

Issue: Section 61 appears to allow an opposition to be based on any geographical indication, even if the geographical indication is not related to goods and/or services of the trade mark application. (Referred from ACIP)

Discussion: It has been suggested that the wording of section 61 may allow a person to oppose registration of a trade mark by relying on the existence of a geographical indication regardless of whether the goods on the application for registration are the same as or different from those goods covered by the geographical indication.

Section 61(1) provides that "The registration of a trade mark in respect of particular goods (*relevant goods*) may be opposed on the ground that the trade mark contains or consists of a sign that is a geographical indication for goods (*designated goods*) originating in:

- (a) a country, or in a region or locality in a country, other than the country in which the relevant goods originated; or
- (b) a region or locality in the country in which the relevant goods originated other than the region or locality in which the relevant goods originated."

The wording of section 61 is such that it is possible to oppose an application where the trade mark is the same as a geographical indication. This is the case even where the goods of the trade mark and the geographical indication differ markedly.

Proposal: The wording of section 61 should be amended to clarify that the ground of opposition is limited to those cases where the goods specified by the accepted trade mark application are the same as, or similar to, those covered by the geographical indication.

9. Section 62 - Application etc. Defective etc.

Issue: Where a ground of opposition under section 62 is proven, the outcome should not always be limited to those currently provided. In addition, paragraph 62(a) should be reviewed to ascertain the consequence of a successful opposition on this ground.

Discussion: Section 62 provides that an application may be opposed either because an application or supporting document was amended contrary to the Act, or because the Registrar accepted the application based on evidence or representations that were false in material particulars.

In deciding an opposition, section 55 provides that the Registrar must decide to either refuse to register the trade mark, or register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application.

The question has been asked whether it is appropriate for the outcome to be so constrained where paragraph 62(a) applies.

Paragraph 62(a) provides that an application may be opposed on the ground that the application, or a document filed in support of the application, was amended contrary to this Act. An opposition succeeds on this ground if the trade mark application has been amended contrary to the Act, for example if an amendment broadened the scope of the application.

Where a ground of opposition is made out under paragraph 62(a), it would be appropriate for the Registrar to have some flexibility regarding the opposition outcome. For example, where the scope of the registration has been broadened by an amendment to the specification, the Registrar should be able to return the application to the scope of protection it had sought immediately prior to the 'incorrect' amendment and for the application to be able to proceed if there are no other problems.

However if the trade mark itself was incorrectly amended there may be a need to (revoke acceptance) and re-examine the application. This would appear to be the case particularly where the mark was amended either before examination began, or during examination and the amendment led to the acceptance.

Paragraph 62(b) applies where the Registrar accepted the application based on evidence or representations that were false in material particulars. In this case there should be no such flexibility and the outcome should be one of those identified in section 55.

There is a view that paragraphs 62(a) and (b) should be separated because of the possibility of different outcomes. Where opposition under paragraph 62(a) is successful, the Registrar should have a discretion not to refuse the application. However where opposition under paragraph 62(b) is successful, the Registrar should have no such discretion and refusal will be mandatory.

Proposal: It is proposed that paragraphs 62(a) and (b) should be separated into two separate provisions. Where opposition under paragraph 62(a) is successful, the Registrar would have a discretion not to refuse the application but to return it to the pre-amended state and for the application to continue. However where opposition under paragraph 62(b) is successful, the Registrar would have no such discretion and refusal will be mandatory.

10. Regulation 5.2

Issue: There has been a suggestion that subregulation 5.2(3) should be amended to state clearly “provided that the applicant for extension had, within the period, formed the intention to file an opposition or to file an extension of time under 5.2(2) above”.

Discussion: The submission states "In Elixir Solutions Provider Pty Limited [2002] ATMO 46 (30 May 2002) it was decided that a late extension of time can only be granted if the opponent had an intention at the deadline to file a notice of opposition

but that no extension can be granted if the opponent's intention was to seek a valid extension to file a notice of opposition."

Hearing Officer Williams' subsequent decision on an application by British Sky Broadcasting Ltd for an extension of time to file Notice of Opposition to registration of trade mark application 830112 has resulted in a change of practice. In that decision Hearing Officer Williams wrote "*(From the authorities)* Certainty of opposition as an outcome is not the sole touchstone. Indeed, a deliberate step consistent with not opposing is not necessarily a disqualifier. Once the necessary error, omission or relevant circumstance - subregulation 5.2(3) - is shown and a sufficient causation is shown to flow from this, the authorities suggest very strongly that an applicant for extension is able to proceed."

The effect of this decision is that it is not necessarily fatal to a late extension under regulation 5.2 that the prospective opponent has not formed a definite intention to oppose. It is sufficient that the failure to oppose has arisen through an error or omission of sufficient connection to the case as to amount to a sufficient reason for the purposes of subregulation 5.4(4).

Proposal: Amendment is not proposed.

11. Part 5 - Opposition to Registration

Although the overwhelming feedback is that the trade mark opposition process works well, a number of comments have suggested that some small changes might improve the system. The following issues and proposals need to be considered together.

Issue 1: Consideration should be given to allocating or appointing a Case Manager for each opposition.

Discussion: The allocation of a Case Manager has been considered for some time. This person would be 'appointed' when either a request for an extension of time to file a Notice of Opposition or a Notice of Opposition is filed. The Case Manager would advise both parties of the normal process and be the approver for any requests for extension of time or for suspension. It is probable that the Case Manager would not be the Hearing Officer who decides the case but would be the point of contact for both parties and would have 'carriage' of the opposition process up to the Hearing. The nature of such a role would vary depending on the approach adopted to the remaining issues in this Part.

Proposal: Legislative change may be required for a Case Manager to be allocated depending on the scope they have to vary normal timeframes. However, if the proposals set out below were adopted this would not seem to be needed and no legislative change would be necessary. Your comments are invited on the above proposal.

Issue 2: The timeframes in opposition proceedings are too long and should be tightened.

Discussion: Concern has been expressed by IP Australia and users of the system regarding the length of time opposition proceedings can take. The length of time is a result of extensions of time by either or both parties.

The current process is:

Step	Period allowed	Extendible?
Acceptance of tm advertised in AOJTM	AOJTM date	
<u>Notice of Opposition</u>	3 months from advertisement date	<p>Yes</p> <p><i>Within the period</i></p> <ul style="list-style-type: none"> *error or omission by an employee of IP Australia, the person concerned or their agent, or *circumstances beyond control of the person, *to undertake research or negotiations <p><i>Outside the period</i></p> <ul style="list-style-type: none"> *error or omission by an employee of IP Australia, the person concerned or their agent, *circumstances beyond control of the person, <p><i>How many extensions?</i></p> <p>Usually only 3 months</p>
<u>Evidence in Support (EIS)</u> (opponent)	3 months from date Notice of Opposition is served and filed	<p>Yes</p> <p><i>Reason</i></p> <ul style="list-style-type: none"> *party needs more time to prepare and serve evidence, or *negotiating with other party <p><i>How many extensions?</i></p> <p>If the parties are not negotiating 9 months is usually allowed including the statutory 3 months. When the parties are negotiating 15 months is usually allowed.</p> <p>But further extensions may be allowed.</p>
<u>Evidence in Answer (EIA)</u> (applicant)	3 months from date EIS served	<p>Yes</p> <p><i>Reason</i></p> <ul style="list-style-type: none"> *party needs more time to prepare and serve evidence, or *negotiating with other party <p><i>How many extensions?</i></p> <p>If the parties are not negotiating 9 months is usually</p>

		<p>allowed including the statutory 3 months. When the parties are negotiating 15 months is usually allowed.</p> <p>But further extensions may be allowed</p>
<p><u>Evidence in Reply (EIR)</u> (opponent)</p>	<p>3 months from date EIA was served</p>	<p>Yes</p> <p><i>Reason</i> *party needs more time to prepare and serve evidence, or *negotiating with other party</p> <p><i>How many extensions?</i></p> <p>If the parties are not negotiating 6 months is usually allowed including the statutory 3 months. When the parties are negotiating 9 months is usually allowed.</p> <p>But further extensions may be allowed</p>
<p><u>Hearing or Decision on the Written record</u></p>	<p>Either party may request one of these within one month from the date of the Official Notice</p>	<p>Yes</p> <p>If both parties are negotiating and both agree to defer the hearing request.</p> <p>If a hearing is not requested- Decision will issue based on evidence on file.</p>

Acceptance of a Trade mark is advertised in the AOJTM_(subsection 52(2)). Within three months of that advertisement date a **Notice of Opposition** must be filed. It is possible to get an extension of time for filing the notice within that period on the grounds of error or omission by an employee of IP Australia, the person concerned or their agent, or circumstances beyond control of the person, or to undertake research or negotiations. It is also possible to have an extension to file the notice outside the three months on the grounds of error or omission by an employee of IP Australia, the person concerned or their agent, or circumstances beyond control of the person.

The opponent's **Evidence in Support (EIS)** is due three months after the notice of opposition has been served on the applicant and filed with the Registrar. It is possible to get extensions of time under regulation 5.15 for serving the EIS. The applicant is notified of each extension application and given time to comment. Where the applicant opposes the extension a hearing is set down. Applicants, in many cases, notify an objection but chose not to formally oppose the extension. The Registrar generally allows extension requests where the opponent has made out a case and the applicant has not opposed the extension. The courts have found the 3 month statutory period is seldom sufficient. In light of this the Registrar's current benchmark when the parties are not negotiating is 9 months including the statutory 3 months. The benchmark when the parties are negotiating is 15 months.

The applicant's **Evidence in Answer (EIA)** is due three months after the EIS has been served on the applicant and filed with the Registrar. It is possible to get extensions of time under regulation 5.15 for serving the EIA. The opponent is notified of each extension application and given time to comment. Where the opponent opposes the extension a hearing is set down. Opponents, in many cases, notify an objection but chose not to formally oppose the extension. The Registrar generally allows extension requests where the applicant has made out a case and the opponent has not opposed the extension. The courts have found the 3 month statutory period is seldom sufficient. In light of this the Registrar's current benchmark when the parties are not negotiating is 9 months including the statutory 3 months. The benchmark when the parties are negotiating is 15 months.

The opponent's **Evidence in Reply (EIR)** to the applicant's EIA is due three months after the EIA has been served on the opponent and filed with the Registrar. It is possible to get extensions of time under regulation 5.15 for serving the EIR. The applicant is notified of each extension application and given time to comment. Where the applicant opposes the extension a hearing is set down. Applicants, in many cases, notify an objection but chose not to formally oppose the extension. The Registrar generally allows extension requests where the opponent has made out a case and the applicant has not opposed the extension. The courts have found the 3 month statutory period is seldom sufficient. In light of this the Registrar's current benchmark when the parties are not negotiating is 6 months including the statutory 3 months. The benchmark when the parties are negotiating is 9 months.

Our initial consultations have suggested that an extension of time to file a notice of opposition should only be possible on the grounds in paragraphs 5.2(2) (a) to (c) and that (d) and (e) should be deleted.

The periods for **serving evidence** (Regulations 5.7, 5.10 and 5.12) are extendible by virtue of regulation 5.15.

Our initial consultations have suggested that the provisions relating to extensions of time to file evidence should be changed. The initial period should remain at 3 months. It should then be possible to get one 3 month extension on request and on payment of the required fee. Alternatively, at the outset, the parties could agree with the case manager on what constitutes a reasonable period. In either case, any extension after that would have to be made on the grounds of (a) error or omission by an IP Australia employee, (b) error or omission by the person or their agent or (c) circumstances beyond control of the person requesting the extension of time. The Registrar would not grant the latter extensions without being satisfied that the grounds have been made out and that the other party has had an opportunity to object to the extension being granted.

It will be possible for opposition proceedings to be **suspended** where a joint request is made by both parties. This could occur for example where the parties have global opposition/litigation under way.

These changes should limit the amount of time opposition proceedings take whilst still allowing for some extensions where appropriate.

Proposal: Amendments are proposed to provide for:

- the limited grounds for an extension of time to file Notice of Opposition.
- either:
 - one extension of each evidence period on request accompanied by the fee, or
 - an agreement between the parties and the case manager setting out reasonable periods in advance; with
- in either case, any further extension of time of evidence periods to be made only on the grounds of (a) error or omission by an IP Australia employee, (b) error or omission by the person or their agent or (c) circumstances beyond control of the person requesting the extension of time.
- suspension of opposition proceedings on a joint request by both parties.

Issue 3: Is there a need to file evidence with the Trade Marks Office in opposition cases?

Discussion: Currently all evidence must be filed with the Trade Marks Office and served on the other party.

Of the 3.65% of acceptances which are opposed, approximately 10% require the Registrar to issue a decision based on the evidence filed, either after a Hearing or a request for a decision on the Written Record. In the vast majority of cases the parties have the additional expense of filing the evidence with the Registrar and the evidence is not then used, given the high percentage of oppositions finalised prior to a decision being made.

This evidence is not considered by the Trade Marks Office when it is filed. The Hearing Officer considers the evidence when a Hearing is scheduled. Providing the evidence is available to the Hearing Officer at that time, there appears to be no need for the evidence to be filed at each evidence stage.

The Trade Marks Office expends considerable resources in the administrative management of evidence filed in oppositions, in terms of receipt, processing, storage and return of evidence.

It is proposed that the Case Manager would advise both parties of the date by which the evidence they have served on the other party must be filed with the Trade Marks Office.

At each evidence stage, instead of filing the evidence with the Trade Marks Office, the Notification of Service would require the inclusion of information setting out the evidence that was served on the other side, for example "statutory declaration by V V dated dd/mm/yyyy with Exhibit 1 brochures from newspapers May 1997, exhibit 2 sales figures from 1990 to 2004".

Proposal: Amendments are proposed which would delete the requirement to file evidence with the Trade Marks Office at each evidence stage and to provide for the case manager to specify the date by which the evidence must be filed at the Trade Marks Office.

Issue 4: There should be a requirement for a party to file a Notice of Appearance with the Registrar where that party intends to continue to prosecute (a) their opposed trade mark application or (b) their non-use removal application.

Discussion: There have been cases where registration of a trade mark application or a non-use application has been opposed and the other party has no intention of continuing to prosecute their application. IP Australia and the opponent have not been made aware of this with the result that the opponent must continue the opposition process and incurs additional costs.

The suggestion has been made that there should be a legislative requirement for the applicant for registration of an opposed registration or the non-use applicant where that application has been opposed, as appropriate, to file a Notice of Appearance with the Registrar if they intend to continue prosecuting their application. Where the Notice of Appearance is not filed, the application would be deemed withdrawn. The suggested timeframe for the filing of the Notice of Appearance is 1 month from the Registrar's notification of the opposition.

Proposal: An amendment is proposed to require the applicant for registration of an opposed registration or the non-use applicant where that application has been opposed, as appropriate, to file a Notice of Appearance with the Registrar if they intend to continue prosecuting their application. Where the Notice of Appearance is not filed, the application would be deemed withdrawn. The suggested timeframe for the filing of the Notice of Appearance is 1 month from the Registrar's notification of the opposition.

Issue 5: Opponents are listing extensive and broad grounds on their Notice of Opposition but only relying on a limited number of grounds at the Hearing. This should not be allowed as it causes unnecessary expense for the other party.

Discussion: It appears to have become the norm for opponents to list extensive and broad grounds on their Notice of Opposition but to rely only on a limited number of grounds at the Hearing. This puts the other party to considerable effort and expense because they have to collect evidence and prepare rebuttals for the very broad grounds.

The suggestion has been made that opponents should have to clarify the grounds of opposition on which they intend relying, after Evidence in Answer is filed. Re-introduction of grounds specified in the Notice of Opposition would be allowed at a later date if appropriate. This suggestion would minimise unnecessary work by the other party.

Proposal: An amendment is proposed to provide that an opponent must clarify the grounds of opposition on which they intend relying after Evidence in Answer is filed. Re-introduction of grounds specified in the Notice of Opposition would be allowed at a later date where appropriate.

Issue 6: There should be a requirement for both parties to an opposition to file a Statement of Facts and Contentions prior to the Hearing.

Discussion: This issue is in some ways related to issue 4. The suggestion has been made that both parties should have to file a Statement of Facts and Contentions based on their evidence and the grounds of opposition prior to the Hearing. This would ensure that both parties are fully briefed before the Hearing. It would also make it easier for all parties, including the Hearing Officer, to participate in the Hearing. The suggestion is that the opponent must both file with Trade Marks Office and serve his/her Statement of Facts and Contentions on the other party 15 working days prior

to the Hearing. The other party would be required to file their Statement of Facts and Contentions 5 working days before the Hearing.

Proposal: The proposal is that the opponent must both file with Trade Marks Office and serve his/her Statement of Facts and Contentions based on their evidence and the grounds of opposition on the other party 15 working days prior to the Hearing. The other party would be required to file and serve their Statement of Facts and Contentions based on their evidence 5 working days before the Hearing.

Part 7

12. Section 72 - Period for which a trade mark can be registered

Issue: The suggestion has been made that the Act should be amended to allow for registration of trade marks for limited periods of time rather than standard ten years.

Discussion: It has been suggested that a system which would allow for a short-term registration such as 12 months for special events, and exhibitions would be beneficial.

There would appear to be some advantages in making provision for the possibility of requesting a shorter period of registration. However, as those applications would be the same in all other respects as a standard application and the rights would be the same, the costs would not be cheaper. A few marks could be released back into the market sooner as it appears that some industries only require trade marks for a shorter period of time.

Proposal: No Further Action at this stage.

Part 8

13. Sections 86, 87 and 88 - Amendment or cancellation

Issue: Consideration should be given to amending sections 86, 87 and 88 so that either a person aggrieved or the Registrar may apply to the Courts for cancellation or amendment.

Discussion: Currently court actions may only be instituted by an aggrieved person. Sections 87 and section 24 provide that an aggrieved person may apply to the court for rectification of the Register where a trade mark has, after registration, become generally accepted within the relevant trade as the sign that describes or is the name of an article, substance or service.

Section 86 allows an aggrieved party to apply to the court for rectification of the Register where a condition or limitation entered in the Register in relation to the trade mark has been contravened.

Section 88 lists several grounds under which an aggrieved party may also apply to the court for rectification of the Register.

Section 22 of the *Trade Marks Act 1955* provided that the Registrar or an aggrieved person could apply to the court for rectification of the Register. Because the Registrar had not made such an application under the 1955 Act, the equivalent provision in the *Trade Marks Act 1995* do not include a reference to the Registrar applying to the court. However there may be instances, such as for broad public policy reasons,

where it could be appropriate for the Registrar to apply to the court for rectification of the Register. Before taking such action the Registrar would, as a matter of practice, take a range of factors into account. She would review the facts of the matter, to the extent they were available, consider the existence or otherwise of aggrieved parties and their inclination to take action on their own behalf, and in particular make some judgement about the likelihood of success.

Proposal: Amendment is proposed to sections 86 to 88 so that either the Registrar or an aggrieved person can make application to the court for rectification of the Register.

14. Section 88 - Amendment or cancellation - other grounds

Issue 1: Amendment to clarify that section 88 is intended to apply to trade marks which were registered under the *Trade Marks Act 1955*. This was called into question in *Australian Co-operative Foods v Norco* [1999] NSWSC 274 (31 March 1999) (Lite White).

Discussion: The applicability of section 88 to trade marks registered under the *Trade Marks Act 1955* was called into question by Bryson J in *Australian Co-operative Foods v Norco* [1999] NSWSC 274 (31 March 1999) (Lite White).

"Protection against removal extended to the **Lite White** marks has been, to some degree, promoted by the legislative changes. As well as being susceptible to action under subs 87 (1) by reference to s 24, registered trade marks are susceptible of amendment or cancellation under s 88 on grounds stated in subs 88 (2). The susceptibility of trade marks formerly registered in Part B to action under s 88 is limited because Ground 88 (2) (a) - "*any of the grounds on which the registration of the trade mark could have been opposed under Division 2 of Part 5*" is unavailable; registration of a Part B trade mark could in no case have been opposed under Division 2 of Part 5 because they all achieved automatic registration under s 233 of the Act of 1995 without there being any opportunity for opposition. (The reference to Division 2 of Part 5 takes the reader by way of s 57 - registration may be opposed on the same grounds as for rejection - to the elaborate process of consideration in Division 2 of Part 4, particularly to s 41).

Grounds 88 (2) (b), (d) and (e) are also inapplicable. ..."

Although the above comments were made only in respect of trade marks registered under Part B of the 1955 Act, it appears that they would equally apply to those registered in Part A as they also could not have been opposed under Division 2 of Part 5 of the Act. It is apparent that this inadvertent oversight should be corrected to make it clear that section 88 applies to any of the grounds on which registration of a trade mark can be opposed.

Proposal: Section 88 should be amended so that it is clear that it applies to any registered trade mark whether registered under the 1955 Act or the current Act.

Issue 2: Paragraph 88(2)(c) should be re-worded to make it clear that deception or confusion which might have provided a basis for refusing registration of a mark are relevant for the purposes of rectification.

Discussion: It has been suggested that the wording of this paragraph is unclear and that it leaves open the possibility that the potential for a mark to be deceptive or confusing prior to registration is not a valid basis for rectification.

It has been suggested that the wording of 88(2)(c) provides an exception to 88(2)(a). The clear intent is that rectification can be sought on the basis of any action that could have been the basis of an Opposition action [88(2)(a)]. Similarly, if circumstances have changed, such that use of the trade mark is now likely to cause deception or confusion, that too can form the basis of a rectification action [88(2)(c)].

Proposal: Amend subsection 88(2)(c) to end after the word 'confusion' leaving the rest off and deleting the subparagraphs (i) and (ii).

PART 9

15. Section 92 - Non-use costs and process

Issue 1: Consideration should be given to deleting the requirement that an applicant for non-use removal must be a person aggrieved.

Discussion: The current requirement for a non-use application to be filed by a 'person aggrieved' has resulted in some oppositions being mounted and argued solely on whether the non-use applicant was in fact a "person aggrieved". In these cases, the argument and subsequent decision has been based on the standing of the non-use applicant, rather than on whether or not there had been use of the registered trade mark on the registered goods and/or services.

Furthermore, there was a long held belief that a trade mark applicant whose registration is barred by an existing registration was a "person aggrieved" and could therefore apply for non-use removal of the cited registration. This view was overturned in the *Woolly Bull Enterprises Pty Ltd v Reynolds* [2001] FCA 261.

It is therefore proposed to delete the reference to 'a person aggrieved' from section 92.

To minimise the potential for an increase in frivolous non-use actions, which may exist because of these proposed amendments, the suggestion has been made by the Industry Reference Group that the non-use fee be set at an appropriate level.

Proposal: Amendment is proposed to delete the requirement that a non-use applicant be 'a person aggrieved'. The level of the fee for removal applications will be considered in IP Australia's annual fee review.

Issue 2: Consideration should be given to dispensing with the requirement for a non-use applicant to submit evidence of, or declarations about searches that have been undertaken.

Discussion: Before filing an application for removal, the prospective applicant for removal for non-use should make an inquiry into the use of the trade mark, or have someone make that inquiry on their behalf. If that inquiry confirms that the trade mark is not, and perhaps has never been in use, there may be sufficient grounds for its removal.

An application for removal must be filed together with a declaration which meets the requirements of reg. 9.1 of the Trade Mark Regulations 1995 by (a) stating that an inquiry into the use of the trade marks in respect of the goods/services specified in the removal application has been made by or on behalf of the applicant, and also (b) setting out the findings of the enquiry that support the ground or grounds relied on in the application. This may be a simple statement to the effect that the inquiry has revealed no use of the trade mark or no use during the relevant period.

The current requirements for this declaration are minimal and there is anecdotal evidence that some non-use applicants devise their search strategy to minimise the likelihood of success.

There are two options for overcoming concerns regarding the declaration. Firstly the requirement for the declaration could be deleted. This would not appear to have the potential to increase the number of frivolous non-use actions as it appears that the minimal requirement is being used to the advantage by some non-use applicants.

Alternatively, the requirements concerning the contents of the declaration could be made more stringent and revert to previous practice of a declarant needing to itemise the nature and extent of the searches undertaken in great detail. This imposes considerable work on a non-use applicant and on the Office. The Office would need to check each declaration and decide whether the search had been sufficient.

The current minimal requirements arose because under the *Trade Marks Act 1955* many non-use applications never got to the stage where use or lack of it was tested. There were also other situations where the need for additional declarations was raised and this involved much correspondence between the non-use applicant and the Office. This continued under the current Act until the declaration requirements were minimised.

There are significant policy advantages in having marks that are not being used removed from the Register. However, to minimise the potential for an increase in frivolous non-use actions which may exist if the need for a declaration were removed, the suggestion has been made by the Industry Reference Group that the non-use fee be set at a level which would discourage this. This proposal also needs to be considered together with the proposal to change the Opposition process for non-use actions.

Proposal: Amendment is proposed to delete the requirement for the declaration regarding the search to be filed with the non-use application. The level of the fee for removal applications will be considered in IP Australia's annual fee review; however your comments are invited regarding an appropriate level for the fee.

Issue 3: Where the owner of a registered trade mark opposes an application for removal for non-use of his/her trade mark, the cost of filing that notice of opposition is higher than the cost of filing the removal for non-use action.

Discussion: Some trade mark owners have complained about the need for them to oppose a non-use action which has been filed against their registered trade mark. They also comment that it costs them more to file the Notice of Opposition than it costs the non-use applicant to file the non-use action.

IP Australia is keen to streamline non-use proceedings. The IRG has suggested that the opponent to a non-use action should be able to request the Registrar to issue an 'interlocutory' type decision after he/she has filed evidence in support of the

opposition. This would be appropriate where the opponent has filed very clear evidence of use of the registered trade mark on the goods and/or services covered by the non-use application. Both parties would have the opportunity to be heard before 'interlocutory' type decision was issued, and afterwards to elect to continue the opposition. This would allow the non-use applicant to file evidence in answer and the opponent to file evidence in reply where they considered it necessary.

If an 'interlocutory' type decision was not requested the opposition proceedings would continue as usual.

The IRG considers that the fee for filing a non-use application is too low and should be raised to a more appropriate level.

This revised process would assist a registered owner who has been using the trade mark on the relevant goods and/or services. It also has the potential to speed up the process and minimise costs for all parties.

Proposal: Your comments are invited regarding the proposal to insert a new provision which would allow the opponent to a non-use application to request an 'interlocutory' type decision after filing his/her evidence in support of the opposition. The provision would include giving both parties the opportunity to be heard before 'interlocutory' type decision was issued and to elect to continue the opposition. This would allow the non-use applicant to file evidence in answer and the opponent to file evidence in reply where they considered it necessary.

The level of fees for filing a Notice of Opposition to a non-use application will be reviewed in the annual review of IP Australia fees.

16. Section 100 - Burden on opponent to establish use etc

Issue: IPTA considers that section 100 should be amended to reinstate the provisions of the 1994 Act so that an application for removal because of non-use is able to be rebutted on the grounds of the use of the trade mark on similar or related goods or services.

Discussion: IPTA writes "When the *Trade Marks Act 1994* was enacted, immediately prior to the 1995 Act, it contained provisions allowing for the rebuttal by an opponent of a non-use allegation on the grounds of use of the trade mark in relation to goods or services which were of the same description as, or closely related to, the relevant goods or services of the registration. You will see in the 1994 Act an example of relevant goods being "silk ties" and unregistered goods being "nylon ties"."

Section 100 of the *Trade Marks Act 1994* provided that:

"100(1) In any proceedings relating to an opposed application, it is for the opponent to rebut:

- (a) any allegation (made under paragraph 92(4)(a)) that, on the day on which the application for the registration of the trade mark was filed, the applicant for registration had no intention in good faith:
 - (i) to use the trade mark in Australia; or
 - (ii) to authorise the use of the trade mark in Australia; or
 - (iii) to assign the trade mark to a body corporate for use by the body corporate in Australia;in relation to the goods or services to which the opposed application relates;

or

- (b) any allegation (made under paragraph 92(4)(a) or (b)) that a trade mark has not, at any time before or during a specified period (as the case may be), been used in good faith by its registered

owner in relation to the goods or services to which the opposed application relates ("relevant goods or services").

(2) For the purposes of subsection (1), (except if subsection (5) applies) the opponent is taken to have rebutted the allegation that a trade mark has not been used in good faith by its registered owner in relation to the relevant goods or services if the opponent has established:

- (a) that the trade mark has been used by its registered owner in relation to the relevant goods or services; or
- (b) that the trade mark has been used by its registered owner in relation to goods or services in respect of which the trade mark is registered ("registered goods or services") that are goods of the same description as, or closely related to, the relevant goods or services; or
- (c) that the trade mark with additions or alterations not substantially affecting its identity has been used by its registered owner in relation to:
 - (i) the relevant goods or services; or
 - (ii) registered goods or services that are of the same description as, or closely related to, the relevant goods or services; or
- (d) the trade mark was not used by its registered owner because of circumstances (whether affecting traders generally or only the registered owner of the trade mark) that were an obstacle to the use of the trade mark during the specified period.

(3) For the purposes of subsection (1), (except if subsection (5) applies) the opponent is also taken to have rebutted the allegation that the trade mark has not been used in good faith by its registered owner in relation to the relevant goods or services if the opponent has established:

- (a) that the trade mark, or the trade mark with additions or alterations not substantially affecting its identity, has been used by the registered owner in relation to goods or services (other than registered goods or services) that are of the same description as, or closely related to, the relevant goods or services (for example, the relevant goods may be silk ties and the unregistered goods nylon ties); or
- (b) that the registered owner of the trade mark has used an associated trade mark;

and the Registrar or the court is of the opinion that it is reasonable, having regard to all the circumstances of the case, to treat the registered owner as having used the trade mark in relation to the relevant goods or services.

(4) For the purposes of subsection (1), (except if subsection (5) applies) the opponent is also taken to have rebutted the allegation that the trade mark has not been used in good faith by the registered owner in relation to the relevant goods or services if the opponent has established that the trade mark, or the trade mark with additions or alterations not substantially affecting its identity, was used by an unregistered assignee of the trade mark in relation to:

- (a) the relevant goods or services; or
- (b) goods or services (whether registered or not) that are of the same description as, or closely related to, the relevant goods or services; and the Registrar or the court is of the opinion that it is reasonable, having regard to all the circumstances of the case, to treat the registered owner as having used the trade mark in relation to the relevant goods or services if:
- (c) the unregistered assignee subsequently becomes the registered owner of the trade mark; and
- (d) the use of the trade mark by the assignee is in accordance with the assignment.

(5) The opponent to an application may not rely on paragraph (2)(b), subparagraph (2)(c)(ii) or paragraph (3)(a) or (b):

- (a) in the case of an application by the registered owner of a trade mark registered in respect of the relevant goods or services-if the applicant's trade mark is substantially identical with, or deceptively similar to, the opponent's trade mark and:
 - (i) the applicant was granted registration of his or her trade mark on the ground that there had been honest concurrent use of the trade marks; or
 - (ii) the applicant was a person in relation to whom subsection 44(4) applied; or
- (b) in any other case-if:
 - (i) the applicant's trade mark is substantially identical with, or deceptively similar to, the opponent's trade mark; and
 - (ii) the Registrar or the court is of the opinion that the applicant's trade mark could properly be granted registration in respect of the relevant goods or services on the ground that there has been honest concurrent use of the trade marks or on the ground that subsection 44(4) would apply in relation to the applicant."

The non-use rebuttal provisions are narrow because of the broader infringement test under the Act. The owner must show use on the registered goods and/or services. The suggestion has been made that as goods of the same description are already considered in section 44 and in opposition proceedings, consideration should be given to amending the non-use provisions so that they are in line with section 44 and opposition.

In the *Trade Marks Act 1994* a defence to a non-use action was provided if the opponent could show use of the trade mark on goods of the same description as those for which the mark was registered.

This provision was not included in *Trade Marks Act 1995* because it had consequences which had not been canvassed in earlier discussions with the Working Party and which could be seen to inappropriately extend the rights of the owner.

Infringement action can be taken under the Act where the registered trade mark is used, without consent of the owner, on goods and/or services covered by the registration or goods and/or services of the same description as those covered by the registration.

Broadening section 100 to include use on goods and/or services of the same description could lead to the situation where a registered owner who was protected from a non use action, could successfully sue another party for infringing use on goods and/or services of the same description, even though the registration has not been used on the registered goods and/or services.

Subsection 101(3) allows the Registrar a discretion. It would be useful to indicate that this may be exercised in a limited set of circumstances, such as those referred to by IPTA. A Note to subsection 101(3) would serve this purpose.

Proposal: It is proposed to add a Note to subsection 101(3) to indicate that in some circumstances where the goods and/or services are clearly of the same description, the Registrar has a discretion not to remove the registration. This discretion *would not apply* where the non-use applicant's trade mark was registered under the provisions of subsections 44(3) or (4) or where the Registrar or the Court consider that the non-use applicant could gain registration of his/her trade mark based on evidence of honest concurrent or prior use.

PART 12

17. Section 122 - When is a trade mark not infringed?

Issue: IPTA considers that the term 'the trade mark' in paragraphs 122(1)(c), (d) and (f) may be restricting.

Discussion: IPTA writes "The term "the trade mark" in paragraphs 122(1)(c), (d) and (f) may, in some circumstances be somewhat restricting. This applies particularly to paragraph 122(1)(f). It seems incongruous that a person would technically infringe a registration if they used a trade mark which was deceptively similar to a registered mark even though a court was of the opinion that that person could obtain registration of their trade mark if they were to apply for it."

The Working Party to Review the Trade Marks Legislation in their 1992 report *'Recommended Changes to the Australian Trade Marks Legislation'* indicated that the infringement provisions that resulted in paragraphs 122(1)(c) and (d) should be limited to "the" trade mark. Paragraphs 122(1)(c) and (d) refer to use in good faith to indicate the intended purpose of the goods such as spare parts, and to use in comparative advertising. In both these instances it is use of the registered trade mark that is relevant, not use of a similar trade mark. Amendment to those paragraphs is therefore not appropriate.

As a result of the initial post implementation review of the *Trade Marks Act 1995*, section 122 was amended with the addition of paragraph (fa) as part of the *Trade Marks And Other Legislation Amendment Act 2001*.

Paragraph 122(1)(fa) extends a defence to an action for infringement of a trade mark already provided in paragraph 122(1)(f). Paragraph 122(1)(f) provides that a registered trade mark is not infringed by a person using that trade mark, where the court considers that the person could obtain their own registration of that trade mark. Paragraph 122(1)(fa) extends that defence to apply to a trade mark that is substantially identical with, or deceptively similar to, the registered trade mark. Section 10 states that a trade mark is taken to be 'deceptively similar' to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion. It is an inherent characteristic of the trade mark, and does not relate to a person's conduct.

Proposal: No further action. Paragraph 122(1)(fa) was inserted into section 122 of the Act by virtue of the *Trade Marks And Other Legislation Amendment Act 2001*, and similar amendments to paragraphs 122(1)(c) and (d) are not appropriate.

PART 15

18. Section 162 - Collective marks

Issue: Associations incorporated under the Associations Incorporation Acts of the various Australian states and territories should be able to apply for collective trade marks.

Discussion: Both IPTA and the Law Council consider that the present provisions of sections 6 and 162 have the result that a collective trade mark cannot be owned by an association which is incorporated. Since almost all states now make provision for the incorporation of associations, and since most associations of any significance are now incorporated under those provisions, the result is that Part 15 of the Act has virtually no application. They consider the Act should be amended to permit an incorporated association to own a collective trade mark.

Members of the IRG further consider that any group of people should be able to own a collective trade mark, regardless of whether they are incorporated or not, and that only individuals should be barred from applying for a collective trade mark. This seems to be consistent with Article 7 bis of the Paris Convention which says that protection of a collective mark may not be refused only on the ground that the association is not "constituted according to the law" of the country concerned.

Proposal: Amend the definition of 'association' in section 6 to include associations incorporated under the Associations Incorporation Acts of the various Australian

states and territories. Clarify that any group of people can qualify as an applicant for a collective trade mark.

PART 17A

19. Regulation 17A.2

Issue 1: The “Common Regulations” are defined as those in existence on 1/1/1998. The Common Regulations have now been amended.

Discussion: The definition of “Common Regulations” in Part 17A is limited to those in place on 1/1/1998. It is necessary to amend this definition as the Common Regulations have been amended. It would be preferable to amend the definition so that it is not necessary to amend Regulation 17A.2 after any amendment to the Common Regulations.

Proposal: Amend the definition of “Common Regulations” in Regulation 17A.2 so that it is not limited to those in place on 1/1/1998 and if possible so that it refers to the Common Regulations that are current at any given time.

Issue 2: The term ‘recordal’ no longer appears in the Common Regulations to the Madrid Protocol.

Discussion: When the Common Regulations were amended in 2002, the use of the term ‘recordal’ ceased. The word ‘recordal’ has been replaced with ‘recording’. Part 17A of our Regulations should also be amended. ‘Recordal’ is used in regulations 17A.2, 17A.4, 17A.28, 17A.48, 17A.52, 17A.53.

Proposal: Amend Part 17A to replace the term ‘recordal’ with the word ‘recording’.

20. Regulation 17A.9

Issue: Regulation 17A.9 refers to the time limit for the Registrar to send international applications to the International Bureau. The words “with the Registrar” are unnecessary and should be deleted.

Discussion: Regulation 17A.9 provides that the Registrar ‘must take all reasonable steps to ensure that the application is received by the International Bureau within 2 months after the date on which it is filed *with the Registrar*’. Regulation 17A.5 states that “This Division makes provision for dealing with applications for international registration of trade marks that are to be filed with the International Bureau through the intermediary of the Trade Marks Office.” Section 6 also defines ‘file’ as ‘to file at the Trade Marks Office’. The inclusion of the words “with the Registrar” is therefore not necessary and should be deleted.

Proposal: It is proposed to amend regulation 17A.9 to delete the words “with the Registrar”.

21. Regulation 17A.12 - Registrar to examine, and report on, International Registrations Designating Australia

Issue: Regulation 17A.12 is limited to 'in accordance with this Division' and does not cover all the provisions on which it is appropriate to raise an objection.

International registrations are examined under the laws of each designated country, however, IP Australia cannot refuse, even provisionally, an IRDA because of specification problems except where it is too broad (Subregulation 17A.13(2)) or includes the terms 'all goods', 'all services', 'all other goods' or 'all other services' (Regulation 17A.14).

Discussion: Regulation 17A.12 is limited to 'in accordance with this Division'. Section 33 on the other hand provides that a (directly filed) application must be in accordance with this Act which includes the Regulations. IRs are examined under the laws of each designated country, however a provisional refusal cannot be issued unless it is supported by the national law. It is therefore necessary to include some additional provisions in Part 17A in addition to Item 16 of Paper 2 (translations).

Proposal: It is proposed to amend Part 17A of the Regulations to include the circumstances identified in Issue 1a and 1B below.

Issue 1a: Regulation 17A.14 which deals with the **Specification of goods and services** provides for objections/refusals to be taken only where the specification of an IRDA includes the expressions 'all goods', 'all services', 'all other goods' or 'all other services'.

Discussion: After checking the specification of an international application, the International Bureau notifies the Office of origin and the applicant if it considers that any of the terms used to specify the goods and services in the international application are too vague for the purposes of classification, incomprehensible or linguistically incorrect. Rule 13(2)(b) of the Common Regulations provides that if the wording is not rectified, the IB will include in the international registration both the term and an indication that, in the IB's opinion, the specified term is too vague, or is incomprehensible or is linguistically incorrect.

Where the laws of a designated country so allow, a partial refusal may be issued in respect of the identified term. The United Kingdom has recently amended its trade mark legislation to provide for this. There is currently no provision in Part 17A to allow for this partial refusal. An amendment is required to regulation 17A.14 to allow the Registrar to issue a provisional refusal based on a term which the International Bureau has identified as too vague for the purposes of classification, incomprehensible or linguistically incorrect.

Proposal: It is proposed to amend regulation 17A.14 to allow the Registrar to issue a provisional refusal based on a term which the International Bureau has identified as too vague for the purposes of classification, incomprehensible or linguistically incorrect.

Issue 1b: New provision required The International Bureau checks the formalities on international applications before issuing the International Registration certificate.

Discussion: Regulations had not been included in Part 17A because it appeared that there would be no need to query the representation of a trade mark. Experience of working under the Madrid Protocol has shown that there is a need for most of

regulation 4.3 to be included in Part 17A. The representations for an international application must be no larger than 8cm x 8cm so subregulations 4.3(1) and (2) are not required. Item 16 (Regulation 17A.12 – Translation) of Paper 2 covered subregulation 4.3(5).

Rule 9(4)(4)(xii) of the Common Regulations requires a transliteration to be provided in Latin characters and Arabic numerals where the mark contains or consists of matter in non Latin characters or numbers expressed in numerals other than Arabic or Roman numerals. However subregulation 4.3(6) needs to be mirrored in Part 17A for the sake of completeness.

There is also a need for the provisions of subregulations 4.3(3), (4), (7), (8) and (10) to be inserted into Part 17A. They cover:

Regulation 4.3 Representation of trade marks

- (3) In an application for the registration of a trade mark that contains, or consists of, a 3 dimensional shape:
 - (a) if practicable, the representation of the trade mark in the application must be illustrated in a perspective that shows each feature of the trade mark; and
 - (b) otherwise, the representation of the trade mark in the application must include views of the trade mark that are necessary to show each feature of the trade mark.
- (4) If the Registrar reasonably believes that the views of a trade mark to which paragraph (3) (a) or (b) applies are not sufficient to allow all features of the trade mark to be properly examined, the Registrar may, by notice in writing, require the applicant to give to the Registrar up to 6 additional views of the trade mark that show the features sufficiently to permit proper examination of the trade mark.
- (6) If the representation of a trade mark in an application for registration of the trade mark includes characters constituting words, being characters that are not roman letters, the applicant must file in support of the application:
 - (a) a transliteration of the characters into roman letters, using the recognised system of romanisation of the characters (if any); and
 - (b) a translation of the words into English.
- (7) If a trade mark for which registration is sought contains or consists of a sign that is a colour, scent, shape, sound or an aspect of packaging, or any combination of those features, the application for registration of the trade mark must include a concise and accurate description of the trade mark.
- (8) If the Registrar reasonably believes that the description or representation of a trade mark in an application for registration of the trade mark does not:
 - (a) demonstrate the nature of the trade mark sufficiently; or
 - (b) show each feature of the trade mark sufficiently;to permit proper examination of the trade mark, the Registrar may require the applicant to give to the Registrar:
 - (c) a description, or further description, of the trade mark; and
 - (d) a specimen of the trade mark.
- (10) The representation of a trade mark in an application for registration of the trade mark must be of a kind and quality that:

- (a) ensures that the features of the trade mark will be preserved in the course of time; and
- (b) is suitable for reproduction.

Proposal: It is proposed to amend Part 17A to insert provisions that mirror subregulations 4.3(3), (4), (6), (7), (8) and (10)

22. References to Regulation 17A in other parts of the Act and Regulations

Issue: Various Notes throughout the *Trade Marks Act 1995* make reference to Part 17A of the Regulations.

Discussion: Various Notes throughout the *Trade Marks Act 1995* make reference to Part 17A of the Regulations. As a result, readers have to read through Part 17A of the Regulations to find the relevant information.

The Note “In addition, the regulations may provide for the effect of a protected international trade mark: see Part 17A” appears:

- (a) after the definition of ‘registered trade mark’ in section 6 and also after section 131;
- (b) as Note 3 to subsections 20(1), 120(1), 120(2), 145(1), 146(1) and section 151;
- (c) as Note 4 to subsections 120(3) and 121(1) and to section 148.

In order to assist the reader, these Notes should be amended to refer to “see Division 4 of Part 17A”, rather than “see Part 17A”.

The Note “The regulations may provide that an application must also be rejected if the trade mark is substantially identical with, or deceptively similar to, a protected international trade mark or a trade mark for which there is a request to extend international registration to Australia: see Part 17A.” appears as Note 4 to subsections 44(1) and (2).

In order to assist the reader, these Notes should be amended to refer to “see Regulation 4.15A”, rather than “see Part 17A”.

Proposal: In order to assist readers, it is proposed to amend the references in the Act to Part 17A of the Regulations where they appear in Notes as follows:

- Amend the reference “see Part 17A” in the Notes to section 6 - the definition of ‘registered trade mark’; section 131; Note 3 to subsections 20(1), 120(1), 120(2), 145(1), 146(1) and section 151; Note 4 to subsections 120(3) and 121(1) and to section 148 to read “see Division 4 of Part 17A”.
- Amend the reference “see Part 17A” in the Notes to subsections 44(1) and (2) to read “see Regulation 4.15A”

23. READERS GUIDE

Issue: The **Summary of this Act** under the Readers Guide does not include a reference to Part 17A.

Discussion: The other Parts of the Act are summarised. For example Part 1 is described as “Deals with formal matters such as the commencement of this Act and its general application.”

A brief summary of Part 17A should be included. Wording such as “Deals with international applications made under the Madrid Protocol which are filed through IP Australia or which designate Australia.”

Proposal: It is proposed to amend the Readers Guide to include a brief description of the purpose of Part 17A.

24. Regulation 17A.33 - Opposition proceedings

Issue: Is the three month period in which the holder must notify the Registrar of an address for service in Australia extendible? If the holder has already notified an Australian address during examination does the holder have to re-notify the Registrar in order to accord with sub-regulation 17A.33(3)?

Discussion: Item 33 of Paper 1 dealt with the issue of why subregulation 17A.33(3) was included. As stated in that Item it was included to make it clear that an address for service in Australia is required before there is a requirement to serve a copy of a document on the holder, or to give the holder an opportunity to make written representations or to be heard.

Since that Paper was issued, it has become clear that there are some issues surrounding whether the three month period during which an address for service in Australia must be notified, in particular whether the period is extendible. It is in the interests of the holder, the opponent and IP Australia for an address for service in Australia to be appointed where the holder intends to continue with the international registration designating Australia (IRDA). To this end, and to simplify subregulation 17A.33(3), consideration has been given to deleting the reference to the time specified. It is proposed to delete the words “unless, within 3 months after the notice of opposition is filed,” and to replace them with “until”. That subregulation would then read along the lines of

- (3) Despite subregulations (1) and (2), a requirement to serve a document on the holder, or to give the holder an opportunity to make written representations or to be heard, does not apply **until** the holder has notified the Registrar, in writing, of the holder’s address for service in Australia.

This amendment will make it very clear that there is no obligation to serve a copy of a document on the holder, or to give the holder an opportunity to make written representations or to be heard until such time as the holder has provided an address for service in Australia. It also clarifies the situation where the holder has provided such an Australian address during examination.

Proposal: An amendment is proposed to subregulation 17A.33(3) to clarify that the requirement in Subdivision 3 of Part 17A of the Regulations for service of a copy of a document on the holder, or giving the holder an opportunity to make written representations or to be heard does not apply until the holder has notified the Registrar of an address for service in Australia.

25. Regulation 17A.36 – When trade mark becomes a protected international trade mark

Issue: There is no equivalent to subparagraphs 68(1)(b)(ii) and (iii) in regulation 17A.36.

Discussion: Subparagraphs 68(1)(b)(ii) and (iii) provide that the Registrar is to register a trade mark application where opposition has been filed but it has been withdrawn or dismissed under section 222.

A similar provision is required to cover the date of extension of protection where an IRDA is accepted, opposition is filed but the opposition is withdrawn or dismissed under section 222. Where an opposition is withdrawn or dismissed under section 222 the trade mark will become a protected international trade mark at the end of the opposition proceedings.

Proposal: Amendment to Regulation 17A.36 is proposed which provides that an IRDA which has been opposed and the opposition is withdrawn or dismissed under section 222 will become a protected international trade mark at the end of the opposition proceedings.

26. Regulation 17A.21 – deferment of acceptance

Issue: Is ‘deferment of acceptance’ the most appropriate term to use to describe deferment, particularly in the case of an IRDA?

Discussion: Regulation 17A.21 allows the holder of an IRDA to apply for deferment of acceptance of his/her IRDA in certain circumstances. It would be more correct to say that the holder can apply for *deferment of the final decision* of his/her IRDA. During deferment, holders are still able to, and often do, continue to respond and prosecute their IRDA. Where a response overcomes the objections listed in the provisional refusal and places the IRDA in order for acceptance, the IRDA is accepted and the final decision on the provisional refusal is issued. The 15 months allowed by virtue of regulation 17A.20, before the final decision on the provisional refusal of an IRDA issues, is suspended during deferment.

It would appear to be more accurate to use the term ‘deferment of the final decision’ because this is what happens.

Proposal: It is proposed to amend the term ‘deferment of acceptance’ to ‘deferment of the final decision’.

27. Regulation 17A.52 – transformation – ceasing of IRDA

Issue: Is a specific provision needed to provide for the ceasing or termination of an IRDA in certain circumstances?

Discussion: Regulation 17A.51 provides for transformation of IRDAs and protected international trade marks where cancellation of the International Registration (IR) occurs under Article 6 of the Madrid Protocol. Regulation 17A.52 sets out the transformation process where an IRDA or protected international trade mark is transformed into a national application or registration.

Regulation 17A.41 provides for the cessation of protection of a protected international trade mark where the IB has notified IP Australia of cancellation of the relevant IR and the protected international trade mark has not been transformed into a national registration. Due to an oversight there is no similar provision relating to the effect of an IRDA in the same situation.

There should be a provision to provide for the effect of ceasing of the IRDA where IP Australia is notified of the cancellation of the IR under Article 6 and the IRDA has not been transformed into a national application.

Proposal: A provision is required to provide for the effect of ceasing of the IRDA where IP Australia is notified of the cancellation of the IR under Article 6 and the IRDA has not been transformed into a national application.

28. Part 17A – new provision – limitation

Issue: There is a need for a provision for effecting limitations to specifications advised by the International Bureau (IB) under Rule 27(5) and Article 9 *bis* of the Madrid Protocol.

Discussion: Occasionally a holder will limit the goods and/or services of his or her International Registration (IR). Once the IB processes a limitation, the relevant countries are notified.

A provision is required to allow the Registrar to apply these limitations.

Under Rule 27(5) of the Madrid Protocol, a country may notify the IB that the limitation has no effect. This would happen where the limitation does not delete goods and/or services from the IRDA or Protected International Trade Mark but in fact broadens the specification originally notified by the IB. A provision is also required to allow IP Australia to declare that the limitation has no effect in Australia.

Proposal: A new provision is required which provides for the Registrar to:

- apply these limitations, or
- declare that the limitation has no effect in Australia.

29. Part 17A – new provision – correction by the International Bureau (IB)

Issue: There is a need for a process for effecting corrections advised by the IB under Rule 28(1) and Article 5 of the Madrid Protocol.

Discussion: International applications are filed in, and checked by an Office of Origin, then forwarded to the IB. When an IR is registered, the Offices of the designated countries are notified and examine the IR in accordance with the trade mark laws of their country. Occasionally an Office of Origin does not forward the whole international application to the IB or the IB does not transmit all the correct details to every designated country.

A process is required for handling these cases.

Rule 28(1) and Article 5 of the Madrid Protocol provide that the notification of correction recommences the 18 months period for notifying refusal. The refusal can only relate to the corrected part of the IR. There is a limit of 9 months after the filing date of the international application, in which an error, which occurred in transmission from the Office of Origin, can be corrected. The proposed practice regarding corrections notified by the International Bureau under Rule 28 is as follows:

- 1 Correction to the trade mark which would be allowed under section 65 or section 83.

The mark will be amended and the amendment advertised in the *Australian Official Journal of Trade Marks* (AOJTM). The Record of International Registrations will be so amended. The priority date of the IR will not change.

- 2 Where the correction changes the trade mark in a way which would not be allowed under section 65 or section 83.

The mark will be not be amended.

A 'new' IRDA will be created based on the original International Registration number. This new application will go through the registration/protection process from scratch. It will be examined, accepted if appropriate and then go through the opposition process before protection is extended to it.

The Record of International Registrations will be amended to reflect the cessation of the first IRDA or protected international trade mark and the status of the correct IRDA.

The priority date of the IR will not change.

The previously notified IRDA or protected international trade mark will cease to exist.

- 3 Correction to the goods and/or services which limits the specification in the earlier notification

Where the correction in effect limits the specification initially advised to IP Australia, the corrected goods and/or services will be deleted and the amendment advertised in the Official Journal. The Record of International Registrations will be so amended. The priority date of the IR will not change.

- 4 Correction to the goods and/or services where the corrected goods and/or services are included in the earlier notification.

Where the correction inserts goods and/or services which are already covered in the specification initially advised to IP Australia, and would fall within the scope of sections 65/83, the 'additional' goods and/or services will be inserted and the amendment advertised in the Official Journal. The Record of International Registrations will be so amended. The priority date of the IR will not change.

- 5 Correction to include goods and/or services which were not in the earlier notification.

Where the correction covers goods and/or services that were not covered by the specification initially advised to IP Australia, a 'new' IRDA will be created with the same history as the current IRDA or protected international trade mark except that it will only relate to the additional goods and/or services. This new application will go through the protection process from scratch. It will be

examined, accepted if appropriate and then go through the opposition process before protection is extended. Once both the initial IRDA and the later application with the additional goods and/or services are protected international trade marks, they will be amalgamated into the protected international trade mark with the earlier Australian trade mark number. The Record of International Registrations will be so amended.

The priority date of the IR will not change.

Proposal: A new provision is proposed which provides for:

- [1, 3 and 4 above apply] The Registrar to correct the details of an IRDA or protected international trade mark when notified of a correction under Rule 28(1) and Article 5 of the Madrid Protocol.
- [2 above] an IRDA or protected international trade mark to cease where a correction notified by the IB under Rule 28(1) and Article 5 of the Madrid Protocol alters the trade mark to an extent not allowed under sections 65 or 83.
- [2 and 5 above] a new IRDA to be created where the correction includes
 - goods and/or services not included in the initial notification from the IB, or
 - amending a trade mark to an extent not allowed under section 65 or section 83.
- [2 and 5 above] the Registrar to recommence the protection process (examination and opposition) and to notify refusal as appropriate.
- [5 above] where a correction includes additional goods and/or services and a new IRDA is created and eventually becomes protected, both protected international trade marks will be amalgamated into the earlier trade mark number.

PART 17

30. Section 185

Issue: An amendment is required to section 185 to make it clear that a protected international trade mark can be the basis for a defensive trade mark application.

Discussion: Part 17 of the Act provides for the registration of defensive trade marks. A defensive application can be filed where a registered trade mark has been used in relation to some or all of the registered goods or services to such an extent that use of the trade mark by another trader in relation to other goods or services may be confusing to consumers.

The intention is that a defensive application can also be based on a protected international trade mark which has been used in Australia in relation to some or all of the goods or services for which protection has been extended, to such an extent that use of the trade mark by another trader in relation to other goods or services may be confusing to consumers.

The owner of the registered trade mark, or the holder of the protected international trade mark, is not required to use the trade mark on these 'unregistered' goods or services. Evidence is required to support the defensive trade mark application.

Proposal: In order to clarify the intention, it is proposed to amend section 185(1) to change the reference to a registered trade mark to include ‘a protected international trade mark’.

PART 18

31. Section 197 - Powers of Federal Court (Further Evidence)

Issue: Paragraph 197(a) should be amended to remove an ambiguity that may lead a court not to admit evidence into a proceeding if it does not represent "further" evidence, as such, because there was no initial evidence before the Registrar (see *Soncini v Registrar of Trade Marks*, [2001] FCA 333).

Discussion: Section 197(a) is discussed in *Soncini v Registrar of Trade Marks* [2001] FCA 333 (30 March 2001):

“12 The first question is whether the substantive affidavits on which the applicant now relies should be admitted into evidence on the appeal pursuant to s 197(a) of the *TM Act* given that the applicant adduced no evidence before the Registrar. On one view, s 197(a) of the *TM Act* could be read as implying that the power conferred on the Court to admit further evidence is enlivened only where there was **some** evidence before the Registrar. Otherwise (so it might be argued) the evidence could not be described as "further evidence".

13 The Registrar submitted that the words "further evidence" should not be given a narrow construction. Ms Marsic contended that s 197(a) is designed to enable the Court to have before it all evidence relevant to the substantive matters in dispute. Mr Webb adopted this submission, but added that an important factor to take into account is the public interest in ensuring that the merits of a non-use application are addressed: cf *Kaiser Aluminium & Chemical Corporation v Reynolds Metal Co* (1969) [120 CLR 136](#), at 143, per Kitto J. The public interest, so he argued, supports a broad view of the power in s 197(a).

14 I am inclined to the view that this construction of s 197(a) is correct. Section 197(a) is intended to be facultative. Moreover, the sub-section confers powers on a Court exercising original, not appellate, jurisdiction. Subject to discretionary considerations, there is no obvious legislative policy suggesting that the Court should be precluded from receiving evidence on the "appeal" merely because none was before the Registrar. On the contrary, unless the Court can receive the evidence, it may well be precluded from giving effect to the public interest. The sub-section should therefore not receive a narrow construction.”

The Courts have found that an appeal is a hearing de novo. See *Torpedoes Sportswear Pty Limited v Thorpedo Enterprises Pty Limited* [2003] FCA 901 (27 August 2003). In that case Bennett J

"The appeal is heard in the original jurisdiction of the court and is by way of a rehearing (*Blount Inc v Registrar of Trade Marks* (1998) 40 IPR 498 ('Blount') at 506). The Act has clearly placed the onus of establishing a ground of opposition on the opponent (*Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 ('Woolworths'); *Lomas v Winton Shire Council* (2003) AIPC 91-839 ('Lomas') at [36]. This is common ground. It is also common ground that the appeal is a hearing de novo. "

Blount Inc v Registrar of Trade Marks [1998] 440 FCA (1 May 1998):

Neither the Act nor the 1955 Act contains a provision in terms similar to s 44(2) of the Trade Marks Act (Cth) which provided that on an appeal "[t]he court shall hear the applicant and the opponent, and determine whether the application ought to be refused or ought to be granted with or without any modifications or conditions." It was the provisions of s 44(2) of the 1905 Act on which the High Court placed reliance in *Jafferjee v Scarlett* (1937) 57 CLR 115 in concluding that it was the duty of the Court on an appeal to decide the matter as on an original application, and not merely to decide whether the decision of the Registrar could be supported. Nonetheless, I accept the contention of both parties that it is for the Court to determine, on the material before it, whether the applicant's application to register its trade mark should be accepted or rejected. Section 197 of the Act, like s 115A of the 1955 Act, discloses, in my view, a clear intention that the established practice of an appeal of this kind being conducted as a rehearing is to be maintained.

It is clear therefore that an appeal of the Registrar's decision is a hearing de novo.

The inclusion of the word 'further' in paragraph 197(a) is therefore confusing.

Proposal: Amend paragraph 197(a) to delete 'further'.

PART 21

32. Section 224 - (Revivals)

Issue: Should it be possible to revive an application which has lapsed? Consideration should be given to setting a time limit, such as 3 to 6 months, after which revival should not be permissible.

Discussion: There has been a view expressed that revival of a trade mark application should only be permitted within a set period of time.

However in order for revival to be allowed, the applicant must meet the requirements of section 224. Where more than 3 months has elapsed since the application lapsed, the extension is also advertised in the *Australian Official Journal of Trade Marks* for opposition purposes. No changes are needed to the current system.

Proposal: No further action.

33. Section 243 - Linking (Amalgamation) Of Registered Trade Marks

Issue: Amalgamation should be possible for marks which were registered under the 1955 Act.

Discussion: An attorney has written “Using Registration numbers 507217 to 507221 as an example my suggestion is to enable owners to amalgamate multiple single class identical registrations into one multiple class registration.

There are no direct cost savings in terms of renewals but there are considerable savings for the Office, the attorney responsible and the owner in having to maintain only one registration (instead of 5 in the example provided).

Removal provisions allow removal applicants to seek partial removal (eg in certain but not all classes) so I don't think the removal provisions would act as a barrier to this suggestion.”

There is no doubt that extending section 243 to include amalgamation of registered trade marks would simplify matters for owners of those marks. It could also, to a lesser extent, simplify renewal for the Office.

Where the registered trade marks are identical, were filed on the same day by the same person and have the same history this would seem to be practical. However it would not be possible where the registrations were not all registered in the same Part of the register or were not all the same kind of registration. Section 234 provides for a continuation of conclusively of registration of trade marks first registered in Part A of the Register kept under the 1955 Act or accepted for registration in that Part. It would not be appropriate to amalgamate those registrations with others which, before 1996, were in Part B of the register or with trade marks first registered under the 1995 Act. It would also not be possible where there were different disclaimers, conditions or limitations on some of the nominated registrations.

The procedures for checking any request for amalgamation of registered trade marks would be extremely complex and many trade marks could not, in fact qualify for amalgamation. The initial cost to the registered owner would have to be quite high to cover the costs to the Office.

Proposal: No further action at this stage. However comments are welcome on the likelihood of uptake if this provision was to be amended as suggested.

SCHEDULE 9

34. Schedule 9

Issue 1: The suggestion has been made that a person who cancels a Hearing with less than 2 working days notice should forfeit the hearings fee.

Discussion: In an increasing number of cases hearings are being cancelled at the last minute by one or more of the parties. In preparation for a Hearing, IP Australia incurs costs including the Hearing Officer considering the evidence filed, the case file and evidence are sent to the location for the Hearing and travel arrangements are made.

It is proposed that the party who cancels a scheduled Hearing at short notice, that is less than two working days before the Hearing, should forfeit the Hearings fee paid. If the Hearing is set down for a later date that party would need to pay another Hearing fee.

Where the Hearing was cancelled because of extenuating circumstances there would be a discretion to allow a refund of the Hearing fee.

Proposal: The insertion of a new provision is proposed to the effect that where a Hearing is cancelled with less than 5 working days notice, the party cancelling the hearing will forfeit their hearing fee. Where the Hearing was cancelled because of extenuating circumstances there would be a discretion to allow a refund of the Hearing fee.

Issue 2: It has been suggested that Registrar of Trade Marks should adopt the Commissioner of Patents' practice in which, where the parties wish to hold a hearing outside of Canberra, they bear the costs of the Hearing Officer.

Discussion: It has become the practice where parties wish to hold a patents hearing interstate, the parties agree to meet the travel costs of the hearing officer on an equal share basis, payable prior to the hearing; and undertake not to claim those travel costs in any award of costs.

Proposal: Your comments on this proposal and the suggestion that the schedule of interstate Hearing sessions for Trade Mark Oppositions should be abolished would be welcome.

35. Time frames for examination

Issue

The existing regime of managing timeframes in examination causes problems for owners, creates incorrect expectations, discourages early finalisation and allows marks which have been abandoned, or are unregistrable to remain on the Register for up to 15 months.

When a trade mark application is examined, it is accepted if it is in order. Where the application is not in order the examiner issues a report and unless the applicant overcomes all objections within 15 months the application will lapse. Examiners tell applicants that they have fifteen months to get their application in order. Despite considerable efforts by the Registrar to educate applicants, many assume that they have 15 months in which to respond to the examiners report. Inevitably this means that some are forgotten, while others leave it too long to adequately start preparing a response. Others lodge documents at the death knell, not realising that the examiners consideration must also be within the 15 months.

At the March meeting of the Trade Mark Legislation Review Team and the Industry Reference Group (IRG) the IRG members indicated that this is an issue for their overseas associates and clients. This is because many jurisdictions allow a time to respond rather than a time to acceptance. As a result, the IRG members were very much in favour of changing from the current regime of "time to achieve acceptance" to a regime which allows "time to respond to the examiner's report".

Background

Late response - It is clear that quite a number of trade mark applicants put their report aside to deal with later. Typically, such owners either reply at the last minute or do not reply at all.

Despite attempts to educate clients that it is in their interests to make an early response to an examiner's report, a majority still do not respond until close to the end of the 15 month period allowed.

Applicants responding at the last minute will need to apply and pay for extensions of time if their response does not overcome the examiner's objections and they wish to continue prosecuting their application. Often this causes significant angst as applicants believe they have met the requirements set. This also applies where a submission that does overcome all objections is lodged within the time period but with insufficient time to be considered by an examiner.

Cited applications - Where trade marks with earlier priority dates are substantially identical or deceptively similar to the application under examination and the goods and/or services are the same or similar, the earlier trade mark is cited against the later application. A later applicant will often need to await the fate of the earlier application before knowing how best to proceed. In this context 15 months is a long time to wait (especially if the delay is simply neglect or deferral). In particular the later application cannot be accepted until the objection is overcome. This could be by the provision of evidence of prior or honest concurrent use, amendment to the later specification to delete the overlap in the goods and/or services, submissions or the lapsing of the earlier application. There have been cases where finalisation has been delayed until

the citation lapsed, but the owner of the cited application has had no intention of continuing their application. With a response time regime, the earlier application would lapse at an earlier date and the later application could proceed to acceptance if there were no other problems.

Early finalisation - For some time now IP Australia has been endeavouring to facilitate the earlier finalisation of trade mark applications, while wanting to ensure that this is not at the cost of the quality of examination. This increases certainty about the state of the Register, provides faster information for applicants on which to base their investment decisions and reduces the number of unregistrable marks on the Register. It also reduces the size of the extract list and the number of marks that have to be assessed. In light of this, the current time frame of 15 months together with the ability for extensions of time is now being reconsidered. It is worth noting that Australia has by far the longest allowable time frame of most countries including all our trading partners.

Overseas experience

Research shows that whilst time frames for examination around the world vary markedly, there is a certain consistency of approach. Appendix 1 contains a table indicating this research. There are a number of differing approaches commonly seen in determining time frames:

1. In some countries, including Canada and the USA, where all issues are not successfully dealt with in the response, a further adverse report is issued and the time starts again. The majority of countries offer 2 or 3 months from the date of issue in which an applicant can respond to an adverse report
2. Other countries allow a set period in which all issues must be dealt with successfully. This period varies from 15 days in China, with the possibility of a one month extension, to 15 months in Australia with generous extension provisions. There is no definite limit to the amount of correspondence allowed in that time. In some cases extensions of time are allowable, usually for a fee.
3. A third model is to set different time frames for formality and substantive issues. Japan, for example, allows 2 months for formality issues and 3 months for substantive issues with the possibility of a one month extension.

Madrid Protocol

Prior to Australia joining the Madrid Protocol, awareness sessions were held with members of the legal profession including trade mark and patent attorneys. A concern was raised at some of these sessions that overseas applicants and attorneys would not understand that the 15 months allowed was not merely a response time. Anecdotal evidence suggests that this is the case.

IP Australia is considering the options available in moving to a response regime rather than a time to acceptance regime.

Advantages of a response regime

Earlier finalisation would be the main advantage of a response regime. Other advantages include:

- Overcoming the administrative issues that arise for IP Australia and IP professionals where applicants/clients respond at the very last minute of a 15 month timeframe;
- Abandoned trade marks would lapse sooner, and would not hold up later filings to the same extent;
- Users of ATMOSS or the Mainframe, including examiners, would have fewer marks to search because applications would lapse if there had not been a response within the set period;
- Applicants would have a greater incentive to respond quickly. This could lead to fewer applications lapsing purely because the applicant had lost track of time. 15 months is a very long time and many people forget about their paperwork if it does not need to be attended to quickly;
- Australia would be seen as assisting in the international move to harmonise trade mark procedures;

Issues:

- Applicants may need to move more quickly to gather evidence if required. However deferment would still be allowed where citations are involved;
- IP Professionals would need to change their practices and any electronic tracking systems they employ in order to meet the new time frames.
- Need for an education/awareness program;

Proposal: It is proposed that the time which an applicant currently has to place his/her application in order for acceptance, be changed to a response regime.

Your input and comments are invited on this proposal and on what form these provisions should take. In particular comments are invited on the following propositions and issues:

- The Japanese model of setting different time frames for formalities and substantive issues seems to offer little attraction in the Australian context.
- Some jurisdictions offer a single block of time and allow any number of iterations or reports within it, with the proviso that any submission received within the time allowed will be considered. Other jurisdictions provide more than one period (with periods generally shorter in length than in the single period model). In any model, the question of what extensions should be allowed also arises.

- Is a single block desirable with applicants managing the time themselves or should there be more than one period? In either case what length of time should each response period be?
- If more than one period is preferable what conditions should be met to trigger each subsequent period? And
- What extension of time, if any, should be allowed, for how long, and on what basis?

Overseas experiences

<i>Country</i>	<i>Response time Finalisation time</i>	<i>Response time</i>	<i>Other</i>
Afghanistan		No time frames	Not TRIPS compliant
Argentina	Response time	90days to respond	Eot of 60 days
Australia	Finalisation	15 months	Eot available
Austria		12 months	Eots of 2 months
Benelux		2 months	EOT of 2 months available
Canada	Response time	4 months for each report	Usually limited to three reports
China	Response time	15days	One extension of 30days permitted
France		No provision for time limits	No time limit
Fiji		12 months from date of application	
Greece		15-20days	
Hong Kong		2 months	no extensions
Indonesia		2 months priority documents- 3 months	Filing date is that on which the application becomes complete
Iraq		6 months	If no response within the 6 months a letter giving 7 days is sent -then the application is cancelled
Ireland		3 months	EOT available
Israel		3 months	At end of 3 months letter is sent giving 3 months then cancellation EOT available

Japan		Formality issues-2 months no extension Substantive issues 3 months	1 month eot available
Korea (south)		2 months after date of refusal notification	1 month EOT available
Liechtenstein		At discretion of office	
Malaysia		2 months at a time with a maximum 12 months	Eot in 2 month
Mexico		2 months	No extensions
New Zealand		12 months to complete	3month extension available
OHIM		2 months	
Poland		3 months	2x3month extensions available
Singapore		2 months	Eot available
Spain		1 month	
Taiwan		Designated by examiner formalities and formal deficits (including evidence of use) 15 days Classification 30 days	Eot of 1 month available x2
UK		6 months	EOT available
USA		6 months from the date of the last official notice¹	

While national systems are sufficiently different that no direct comparison can be made on this basis alone, the table leaves a strong contextual impression.

¹ See attachment 2