



TRADE MARKS ACT 1995

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

Re: Oppositions by Kefir Culture Natural Pty Ltd to applications under section 92 of the Act by Société des Produits Nestlé S.A. to remove trade mark numbers 643184(29) - **GOODLIFE** - in the name of Kefir Culture Natural Pty Ltd

Background

Trade mark registration 643184 is registered in the name of Kefir Culture Natural Pty Limited of Eumundi in Queensland ("the opponent"). That registration has effect from 17 October 1994. It is for the trade mark **GOODLIFE**, registered in class 29 for *kefir and yoghurt; drinks comprising kefir and yoghurt, not being drinks included in other classes*.

On 1 November 1999, Société des Produits Nestlé S.A. of Vevey, Canton of Vaud, Switzerland ("the applicant") filed an application for removal of the trade mark from the Register. The removal application was advertised on 25 November 1999. The opponent filed a Notice of Opposition to the application on 23 February 2000.

The applicant alleged that it was a "person aggrieved" within the meaning of the *Trade Marks Act 1995* ("the Act") and relied on section 92(4)(b) of the Act. The applicant alleged that the opponent had not used the trade mark, or a substantially identical or deceptively similar mark, on goods covered by the registration in the three year period ending one month before the date of filing. This period ("the relevant period") is 1 October 1996 to 1 October 1999.

In turn, the opponent alleged in the Notice of Opposition that:

1. the trade mark has in fact been used by the trade mark owner in respect of goods for which it has been registered within the relevant period;

2. any failure to use was due solely to special circumstances, and was not due to an intention to abandon the mark or an intention not to use it;
3. any period of non-use was because of circumstances that were an obstacle to the use of the trade mark during that period;
4. the Registrar should refuse to remove the trade mark from the Register in the exercise of his discretion.

The matter came before me as a delegate of the Registrar of Trade Marks for hearing in Canberra on 14 May 2002. The opponent was represented by Mr Russell Denton and Messrs Danny Hood and Wolfgang Zweifel, the latter being directors of the opponent company. The applicant was represented by Ms Margaret Shearer, of Banki Haddock Fiora Lawyers.

The Evidence

Details of the evidence filed and served by the parties is shown in the following table:

Declarant	Date declared	Exhibits	Known As
<i>Evidence in Support</i>			
Ian Marshall Lawrence	25 February 2000	IML-1 to IML-8	Lawrence
Daniel Andrew Hood, Ian Marshall Lawrence and Wolfgang Emil Zweifel	7 August 2000	Annexures A to Q	Directors 1
<i>Evidence in Answer</i>			
Michelle Allison Anita Cooper	9 April 2001	Annexures A to S, Exhibit MAAC1	Cooper
Susan Michelle Watson	10 April 2001	SMW1 to SMW3	Watson
<i>Evidence in reply</i>			
Daniel Andrew Hood, Ian Marshall Lawrence and Wolfgang Emil Zweifel	8 January 2002	Annexures 1-15, H, I, J and Exhibit X	Directors 2
<i>Applicant's Further Evidence</i>			
Kenneth James Taylor	19 February 2002	A to D	Taylor
<i>Opponent's Further Evidence</i>			
Daniel Andrew Hood, Ian Marshall Lawrence and Wolfgang Emil Zweifel	25 March 2002	Annexures 1 to 5	Directors 3

Legislation

Section 92 of the Act relevantly provides as follows:

92 Application for removal of trade mark from Register etc.

- (1) A person aggrieved by the fact that a trade mark is or may be registered may, subject to subsection (3), apply to the Registrar for the trade mark to be removed from the Register.
- (2) The application:
 - (a) must be in accordance with the regulations; and
 - (b) may be made in respect of any or all of the goods and/or services in respect of which the trade mark may be, or is, registered.
- (3) An application may not be made to the Registrar under subsection (1) if an action concerning the trade mark is pending in a prescribed court, but the person aggrieved may apply to the court for an order directing the Registrar to remove the trade mark from the Register.
- (4) An application under subsection (1) or (3) (*non-use application*) may be made on either or both of the following grounds, and on no other grounds:
 - (a) ...
 - (b) that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non-use application is filed, and, at no time during that period, the person who was then the registered owner:
 - (i) used the trade mark in Australia; or
 - (ii) used the trade mark in good faith in Australia;in relation to the goods and/or services to which the application relates.

There are a number of elements of section 92 that must be satisfied before the Registrar will exercise his powers under the section, namely:

- (a) the applicant must be a "person aggrieved";
- (b) the application must be in the correct form and must relate to at least some of the goods for which the trade mark is registered;
- (c) there must be no prior Court proceedings pending which relate to the trade mark; and
- (d) at least one of the grounds referred to in subsection (4) must be made out.

Submissions, Considerations, and Findings

A person aggrieved

The first issue to be determined in relation to this matter is the status of the removal applicant as a person aggrieved, as required by subsection 92(1) of the Act. This is a threshold test, the interpretation of which has been the subject of considerable

attention by the courts. For example, see the description of a person aggrieved given by McLelland J in *Ritz Hotel v Charles of the Ritz*¹, at page 454:

It is sufficient for present purposes to hold that the expression would embrace any person having a real interest in having the Register rectified, or the trade mark removed in respect of any goods, as the case may be, in the manner claimed, and thus would include any person who would be, or in respect of whom there is a reasonable possibility of his being, appreciably disadvantaged in a legal or practical sense by the Register remaining unrectified, or by the trade mark remaining unremoved in respect of any goods, as the case may be, in the manner claimed.

Further judicial consideration has indicated that the mere lodging of a trade mark application is not sufficient to establish that a person is aggrieved: *Kraft General Foods v Gaines Petfoods Corp*², per Sackville J at 209. The comments of Drummond J in *Woolly Bull Enterprises Pty Ltd v Reynolds*³, at paragraph 7 provide relevant assistance to this matter:

An object of the 1995 Act is to create, by registration of trade marks, a species of tradeable property - see ss 21 and 22 - but only where such marks are connected with actual or contemplated trade in goods and services. It would be contrary to this object of the 1995 Act to accord standing to a person to attack a registered mark on the ground that that person had made his own application for registration of a conflicting mark where there was no proof that the person either had a trade in goods marked with the mark the subject of his registration application or had a bona fide intention to trade in such goods. Such a person cannot be said to be "appreciably disadvantaged in a legal or practical sense" by a mark he wishes to attack remaining on the Register, though he might wish to traffick in marks as distinct from to trade in marked goods.

The applicant submitted that its aggrieved status is not in question since it was not raised in the notice of opposition. The applicant relied on a decision of Deputy Registrar Hardie in *Re: Application by Figgins Holdings Pty Limited*⁴. The applicant's submissions had also asserted that, under the Act, the onus of proof in removal proceedings had been transferred to the owner of a trade mark. In any event, the applicant submitted that the Watson declaration evidenced the bona fides of its aggrieved status.

Although the Act places the burden on the registered proprietor of a trade mark regarding the proof of use or intention to use, the authorities support the proposition

¹ (1988) 12 IPR 417

² (1996) 34 IPR 198

³ (2001) 107 FCR 166 ("*Woolly Bull*")

that there is still an onus on the removal applicant to establish that he/she/it is an aggrieved person and therefore entitled to make an application under section 92. It seems to me that this is consistent with an underlying philosophy of the Act that the party best able to provide evidence of certain things is the party required to prove those things.

I am satisfied that the applicant has a trade in goods the subject of its application for a trade mark that has had the opponent's registration cited against it. It is clear that the removal applicant is appreciably disadvantaged in a legal or practical sense. I am therefore satisfied that the applicant is a person aggrieved.

Form of the Application

The applicant applied for removal of the trade mark in a form that complies with the requirements of the Act and Regulations.

The application states that the applicant understands that proceedings concerning the trade mark are not pending in a court. There is no evidence that contradicts this contention.

I am satisfied that the application is in the correct form and relates to at least some of the goods for which the trade mark is registered, and that there are no Court proceedings pending which relate to the trade mark.

Use of the Mark

The relevant legislation is contained in section 100 of the Act. The relevant parts state:

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

(c) any allegation made under paragraph 92(4)(b) that the trade mark has not, at any time during the period of 3 years ending one month before the day on which the opposed application was filed, been used, or been used in good faith, by its registered owner in relation to the relevant goods and/or services.

...

(3) For the purposes of paragraph 1(c), the opponent is taken to have rebutted the allegation that the trade mark has not, at any time

⁴ [1998] ATMO 32 (1 July 1998)

during the period referred to in that paragraph, been used, or been used in good faith, by its registered owner in relation to the relevant goods and/or services if:

- (a) the opponent has established that the trade mark, or the trade mark with additions or alterations not substantially affecting its identity, was used in good faith by its registered owner in relation to those goods or services during that period;

The use must be genuine commercial use in accordance with the test in *Imperial Group Ltd v Philip Morris & Co*⁵. The use must be as a trade mark in the course of trade, that is to say as a badge of origin of the goods: *Moorgate Tobacco Co Limited v Phillip Morris Limited (No 2)*⁶. A single bona fide use of the mark in the relevant period is sufficient to resist an application for removal: *Woolly Bull*, supra, at paragraph 17.

With the exception of the Lawrence declaration, much of the opponent's evidence is not relevant to use of the registered mark as a trade mark within the relevant period. The Directors 1 declaration, however, provides evidence of the opponent's commercial bona fides during the relevant period, and continuing to date.

The Lawrence declaration does identify use of the trade mark during the relevant period. At paragraph 17, Mr Lawrence states that in 1998, the opponent purchased 40,000 sachets of kefir granules bearing the registered trade mark. These were sold singly and in refresher packs since August 1999. The declaration exhibited a sample sachet and invoices showing the sale of sachets and refresher packs during the relevant period. I am satisfied that this constitutes genuine commercial use of the mark as a trade mark.

The applicant contended that if the use of the mark on sachets sold singly was accepted as use of the trade mark, its use was not use on the relevant goods. The applicant submitted that the kefir granules were not kefir or drinks comprising kefir. The applicant distinguished between kefir and kefir drinks, which were ready to consume, and kefir granules or culture, which required being added to milk to cause fermentation and thus the creation of kefir. The granules or culture should, according to the applicant, fall in Class 1.

⁵ [1982] FSR 72

⁶ (1984) 156 CLR 414, at 432

With respect, I find this distinction too finely drawn. The evidence submitted by both the applicant and the opponent indicates that kefir is a cultured milk produced by adding kefir grains or culture to milk and allowing time for a fermentation process to produce the cultured product. It seems to me that, similarly to junket tablets, both the kefir culture and the cultured milk product can be properly described as "kefir". The kefir granules or culture are not the sort of goods contemplated by Class 1, being mainly *chemical products used in industry, science and agriculture, including those which go to the making of products belonging to other classes*⁷.

The opponent had originally stated three other grounds of opposition in its notice of opposition. They were not actively pursued at the hearing. However, as I have already found the requisite use took place, there is no need for me further to consider these grounds.

Conclusion

I am satisfied by the evidence filed by the opponent that there has been genuine commercial use of its trade mark in relation to relevant goods during the relevant period. Therefore, the opponent has satisfied the requirements of sections 100(1)(c) and 100(3). I therefore dismiss the application for removal.

Costs

Both parties sought their costs. The general rule in awarding costs is that costs are usually awarded against the unsuccessful party, unless there is some conduct on the part of the successful party that would justify a departure from the general rule. I see no reason why costs should not follow the general rule. I award costs against the applicant and direct that the applicant pay the costs of the opponent in accordance with the Official Scale (Schedule 8 of the *Trade Marks Regulations 1995*).

Jock McDonagh
Hearing Officer
Trade Marks Hearings
3 July 2002

⁷ *Nice Classification* (8th Edition) - Explanatory Note, p7.