



TRADE MARKS ACT 1995

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

Re: Trade mark application number 1616273(25) - **CRAZY BUFFALO** (and Device) in the name of Globalscope Pty Ltd.

DELEGATE:	Heath Wilson
REPRESENTATION:	Applicant: Peter Whitehead of Hazan Hollander
DECISION:	2016 ATMO 14 Section 38 of the <i>Trade Marks Act 1995</i> – revocation of acceptance – acceptance of Trade Mark not revoked - opposition proceedings to recommence.

Background

1. On 8 April 2014, Globalscope Pty Ltd ('the Applicant') applied to register a trade mark under the provisions of the *Trade Marks Act 1995* ('the Act'), being:

Trade Mark No: 1616273

Trade Mark:



('the Trade Mark')

Specification of Goods: Class 25: Apparel (clothing, footwear, headgear)

2. The Trade Mark was examined as required under section 31 of the Act. No grounds for rejection were identified by the examiner and the Trade Mark was accepted for possible registration.
3. On 28 August 2014, advertisement of the acceptance was published in the *Australian Official Journal of Trade Marks*.
4. On 16 October 2014, a Notice of Intention to Oppose was filed by the opponent 1724982 Alberta ULC. This was followed by a Statement of Grounds and Particulars ('SGP') filed by the opponent nominating grounds of opposition under sections 42(b) (contrary to law), 58 (Applicant not the owner), 59 (no intention to use the Trade Mark), 60 (deception or confusion arising from reputation in another trade mark) and 62A (application was made in bad faith).
5. The Applicant subsequently filed a Notice of Intention to Defend. Evidence in Support and Evidence in Answer was also filed.
6. On 22 September 2015, the opponent's legal representatives (Davies Collison Cave) wrote to the office requesting revocation of acceptance of the Trade Mark under section 38. The basis of the request was a ground for rejection under section 44 of the Act.
7. Evidence in Reply was then filed by the opponent for the opposition proceedings.
8. The request for revocation of acceptance was considered by this office and on 8 October 2015, a letter of intention to revoke was sent by the office to the Applicant. It read:

In accepting your application the examiner did not fully consider the existence of several conflicting trade marks already on the Register. The following trade marks all have the word BUFFALO as the major distinguishing element, claim similar goods and/or closely related services to the goods you are claiming, and have an earlier priority date:

319948, 751719, 902013, 917466 and 1145319

Although your trade mark has the additional word CRAZY and the device of a buffalo head, this is not considered sufficient to differentiate it from

the earlier trade marks. There is a real likelihood that customers will assume a common trade source. Grounds for rejecting your trade mark should have been raised under section 44 of the *Trade Marks Act 1995*.

Therefore, having taken into account all the circumstances that existed when the application was accepted, it is considered reasonable to revoke the acceptance, (*section 38 of the Trade Marks Act 1995*).

9. On 9 November 2015, the applicant requested to be heard on the intention to revoke acceptance. The opposition proceedings were suspended pending the outcome of the revocation.
10. I am a delegate of the Registrar of Trade Marks and this matter was allocated to me to be heard and decided. The subsequent hearing occurred on Thursday 11 February 2016 in Canberra and the Applicant was represented by Peter Whitehead of Hazan Hollander.

The Law

11. Section 38 of the Act provides:

38 Revocation of acceptance

- (1) Before a trade mark is registered, the Registrar may revoke the acceptance of the application for registration of the trade mark if he or she is satisfied that:
 - (a) the application should not have been accepted, taking account of all the circumstances that existed when the application was accepted (whether or not the Registrar knew then of their existence); and
 - (b) it is reasonable to revoke the acceptance, taking account of all the circumstances.
- (2) If the Registrar revokes the acceptance:
 - (a) the application is taken to have never been accepted; and
 - (b) the Registrar must examine, and report on, the application as necessary under section 31; and
 - (c) sections 33 and 34 again apply in relation to the application.

Discussion

12. As a preliminary matter, I note that the application of section 38 is discretionary (that is: "...the Registrar *may* revoke the acceptance..."). That said, it would be difficult to imagine a scenario where, the requirements of both limbs having been satisfied, some

other circumstance meant acceptance of the trade mark would not be revoked (given the provisions themselves take into account a consideration of “all the circumstances”).

13. Most importantly, the provisions of section 38 require that both limbs of the test (i.e. ss 1(a) and 1(b)) must be satisfied before the Registrar of Trade Marks may revoke acceptance. For the avoidance of doubt, I would also add that these elements must be satisfied before the Registrar issues a letter of intention to revoke.
14. However, on the face of it, there is an inference that both limbs of the test have not been fully considered in this matter. The letter of intention to revoke only uses the wording of the first limb and provides (my emphasis): “[H]aving taken into account **all the circumstances that existed when the application was accepted**, it is considered reasonable to revoke...”. Although there is no requirement that the Registrar mention all possible circumstances to be considered¹, I note the letter also does not mention the status of the well-progressed opposition proceedings.
15. The current section 38 was introduced via amendments to the Act in 2006. The *Explanatory Memorandum to the Intellectual Property Laws Amendment Bill 2006* noted that the previous section 38 had been interpreted too narrowly, with the result that the protection of the public interest in keeping invalidly accepted trade marks from becoming registered had not been fully realized. As a result, the *Explanatory Memorandum* provided² (my emphasis in bold):

Paragraph 38(1)(a) clarifies that the Registrar is able to take account of any circumstance that existed which should have prevented acceptance. It is not necessary that the Registrar knew or was in a position to know of the existence of the circumstances at the time the application was accepted for this paragraph to apply. **This may include an error of judgement or omission on the part of the examiner**, or information about the trade mark that was not available to the Registrar at the time of examination, for example:

¹ See *1-800-Flowers.Com, Inc. v Registrar of Trade Marks* [2012] FCA 209 at [31] and [46].

² At paragraph 15.

- the examiner may have overlooked or discounted information that would lead, if properly considered, to the examiner rejecting the application; or
- an international application for a conflicting mark having an earlier priority date had not yet been filed in Australia.

The Registrar is not limited in what he or she may consider.

16. In relation to the second limb (section 38(1)(b)), the *Explanatory Memorandum* provided:³

This consideration is not limited to the circumstances as they existed when the trade mark was accepted. Further, the Registrar is not limited in what he or she may consider.

The new provision will allow the Registrar to revoke acceptance of a trade mark only when this course of action is reasonable, taking account of all of the circumstances. The intention of this provision is to focus attention on the reasonableness of the Registrar's actions, and not on whether or not an 'error or omission' or a 'special circumstance' preceded the registration of the trade mark.

This provision ensures that the Registrar will be in a better position to effectively keep invalidly accepted trade mark applications from becoming registered, thus protecting the public interest.

17. At the hearing of the above matter, Mr Whitehead drew my attention to the fact that the examiner did fully consider the existence of the conflicting trade marks (despite the apparently contrary explanation provided in the letter of intention to revoke). On behalf of the Applicant, Mr Whitehead requested aspects of the examination file and found that the examiner's extract list from the Australian Trade Marks Online Search System ('ATMOSS') listed each of the conflicting trade marks and marked them "Mark Sufficiently Different".

18. Furthermore, the examiner's worksheet on file provided the examiner's view that:

...Addition of distinctive cartoon image in combination with CRAZY appearing at the start of the mark presents an overall different meaning and impression. It is an informed consumer for the goods who spends more time and care inspecting the items.

³ At paragraphs 17 and 18.

19. Under the current provisions, the fact that the examiner did consider the conflicting trade marks is a circumstance existing at the time of acceptance which may be taken into account. Having said that, it is not a determinative factor, because despite all best efforts and due consideration of the authorities an examiner may nevertheless come to a conclusion that is incorrect in law. Section 38(1)(a) of the Act, when seen in light of the legislative intent, clearly envisages such a scenario.
20. This type of scenario must be considered in light of the guidance provided in the *Trade Marks Office Manual of Practice and Procedure* (“the Manual”)⁴:

It may also be reasonable to revoke acceptance in the circumstances where the decision to accept is one that cannot reasonably be supported by the accepted and defined tests and the decision made by the examiner is:

- manifestly wrong,
- clearly not just a difference of opinion, and
- obviously disregards established authorities

21. As Hearing Officer Williams said in the decision of *Re Jack Grieve*⁵:

It is utterly inappropriate for a delegate, in assessing the merits of revocation of an acceptance, to take on the role of a protagonist. Or, to put it another way, the case for revocation ought to stand on its own merits. If those merits need an advocate to lead evidence or counter-evidence, and to articulate the case for revocation, it is hard to see how this would be appropriate.

22. With the above principles in mind, I turn to the issue under section 44 of the Act.

Section 44:

23. Section 44 of the Act relevantly provides:
- (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (**applicant’s trade mark**) in respect of goods (**applicant’s goods**) must be rejected if:
- (a) the applicant’s trade mark is substantially identical with, or deceptively similar to:

⁴ At Part 38.2.4

⁵ [2010] ATMO 12 at [25].

- (i) a trade mark registered by another person in respect of similar goods or closely related services; or
 - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
- (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

24. The trade marks in the Registrar's letter of intention to revoke are extracted below. I note that each of them have an earlier priority date to the Trade Mark and all but one of them (trade mark no. 751719) are owned by the opponent in the opposition matter:

'The Cited Trade Marks'

TM No.	Trade Mark	Filing Date	Class / Statement of Goods
319948	BUFFALO JEANS	12.7.78	Class 25: Jeans for men, women and children
751719		23.12.97	Class 25: Shoes, boots, none of the foregoing being made of buffalo leather or buffalo hide
902013	BUFFALO	1.2.02	Class 25: Jeans for men, women and children
917466	BUFFALO	24.6.02	Class 25: Clothing and headwear, none of the foregoing being designed specifically for sport, or made of buffalo leather or buffalo hide
1145319	BUFFALO SHOP	8.11.06	Class 25: Clothing, headwear; excluding goods made from or of buffalo leather or buffalo hide, and excluding clothing designed specifically for sport Class 35: Retail stores for clothing and fashion accessories; excluding the sale of goods made from or of buffalo leather or buffalo hide

25. The goods in the Applicant's specification and those in the specification of the Cited Trade Marks are similar.⁶ On a side-by-side comparison,⁷ the Trade Mark is not substantially identical to the Cited Trade Marks and I find that the issue is whether they are deceptively similar. I refer to the oft-quoted test concerning deceptive

⁶ See the definition of 'similar goods' in section 14 of the Act.

⁷ See *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1961) 109 CLR 407 (at 414-415).

similarity as set out by Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v F. S. Walton and Company Ltd*⁸:

[T]he marks ought not ... to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same ... The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded.

26. The Applicant's written submissions provide:

- (a) the only common feature between the Trade Mark Application and the newly cited marks is the word "buffalo". As is well-known, it is untenable to suggest that marks cannot co-exist if they have in common a separate identifiable feature (*Angoves Pty Ltd v Johnson* (1982) 66 FLR 216). Registration must not be revoked on the basis that the Trade Mark Application has one feature in common with the newly cited marks;
- (b) the Trade Mark Application is made up of a number of distinctive features that are not part of the newly cited marks. These include the distinctive image of a bull or a buffalo, the word "crazy", the combination of the words "crazy" and "buffalo" into one word "crazybuffalo" and the distinctive font;
- (c) the Trade Mark Application and the newly cited marks must be considered as a whole. It doing so, it is clear that an entirely different recollection or impression is created by the Trade Mark Application than is created by the newly cited marks. Consumers recalling the Trade Mark Application would recall the image of a bull and the word "crazy". There would be no such recollection from the newly cited marks since they do not feature those distinctive elements. It is therefore submitted that the marks are not deceptively similar.

27. Taking into account the relevant considerations for the comparison of trade marks including, *inter alia*: the general effect of the respective wholes⁹; the impact of the word element in composite trade marks¹⁰; the effect of trade marks being wholly

⁸ (1937) 58 CLR 641 (at 658).

⁹ *Clark v Sharp* (1898) 15 RPC 141 (at 146).

¹⁰ *American Trading & Shipping Co Ltd's Appn* (1936) 6 AOJP 78.

contained within other trade marks¹¹; whether a common element has retained its identity¹² such that two trade marks may appear to be related¹³; and the nature of the consumer for these goods¹⁴; one is left with the impression that the outcome is debatable.

28. The question of whether one trade mark “so nearly resembles¹⁵” another that it is likely to deceive or cause confusion involves an evaluative exercise upon which reasonable minds might differ.¹⁶ If, after a consideration of the relevant legal principles under section 44, a clear outcome does not emerge it would be difficult for a decision-maker to affirmatively find that a trade mark “should not have been accepted” under section 38. To go further than this in relation to revocation of acceptance would mean that the case for revocation is not standing on its own merits.
29. In other words, having taken into account the circumstances that existed at the time of acceptance, I find it arguable whether the decision to accept the Trade Mark was one that could not reasonably be supported by the accepted and defined tests. With this in mind, it is necessary to consider the second limb of the test under section 38.

Section 38(1)(b):

30. As mentioned earlier, section 38(1)(b) is not limited (as section 38(1)(a) is) to circumstances existing at the time of acceptance. The fact that there is an opposition afoot and its current status is therefore a relevant circumstance.
31. In the decision of *Cooley Investments Pty Ltd*¹⁷, Hearing Officer McDonagh indicated that although prior conflicting trade marks should have been raised in examination,

¹¹ *Conde Nast Publications Pty Ltd V Virginia Taylor* [1998] FCA 864.

¹² *Bulova Accutron Trade Mark* [1969] RPC 102.

¹³ *Jafferjee v Scarlett* (1937) CLR 115 (at 121-122); *Pamela Margaret Brown v Herron Pharmaceuticals Pty Ltd* [1998] ATMO 53.

¹⁴ See *Levi Strauss & Co v Vivat Holdings Plc* [2000] ATMO 68.

¹⁵ See the definition of ‘deceptively similar’ under section 10 of the Act.

¹⁶ See *Aldi Stores Ltd Partnership v Frito-Lay Trading Company GmbH* (2002) AIPC 91-771; [2001] FCA 1874 per Lindgren J at [148], per Hill J at [32].

¹⁷ [2011] ATMO 7 at [15].

they related to complex issues of ownership over intellectual property rights which could be more effectively canvassed in opposition.

32. Unlike the facts in that decision, the current opposition is unlikely to address the issue of deceptive similarity under section 44 of the Act (as it has not been nominated as a ground in the SGP). However, the fact that this issue is unlikely to be canvassed in the opposition is not sufficiently persuasive in revoking acceptance of the Trade Mark.
33. The opponent was legally represented by experienced practitioners throughout the entirety of the opposition proceedings and the majority of the Cited Trade Marks are in fact owned by the opponent. Any argument that the ground of opposition had been overlooked is likely to be of little merit, as it is one of the most common grounds, and the opponent even refers to one of its Cited Trade Marks in the SGP for a different ground of opposition.
34. These facts create the inference that a deliberate decision was made not to include section 44 as a ground of opposition (whether it was due to advice on prospects of success, or some other reason) and it appears only after the Applicant had filed its evidence in answer to the opposition that there was an attempt to revisit that decision.
35. The written submissions of the Applicant imply that revoking acceptance of the Trade Mark would allow the opponent to succeed in an opposition without having the issues properly tested. This is simply not the intent or the effect of revoking acceptance. In addition, if the delegate had disagreed with the opponent's request for revocation, a notice of intention would simply not have issued. Here, the office reviewed the file and came to the conclusion that a ground for rejection should have been raised during examination. The fact that the opponent initiated the review is of little consequence.
36. The opposition to the Trade Mark is well developed and progressed to a point where the substantive matter may be heard. In other words, both parties have gone to considerable time and expense preparing and perusing the evidence in support, evidence in answer and evidence in reply. Viewed in the context of the strength of any objection under the first limb of section 38 I find that revoking acceptance in spite of

the aforementioned circumstances would not be a reasonable action for the Registrar to take.

Decision

37. After taking into account all the circumstances of the case, I am not satisfied it is reasonable to exercise the discretion of the Registrar of Trade Marks and revoke acceptance of the Trade Mark. The opposition proceedings may therefore recommence.

Heath Wilson
Hearing Officer
Trade Marks Hearings & Opposition
19 February 2016