

PROPRIETORSHIP

Getting it Right

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Victorian Bar

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Schadenfreude

n. Malicious enjoyment of
others' misfortunes

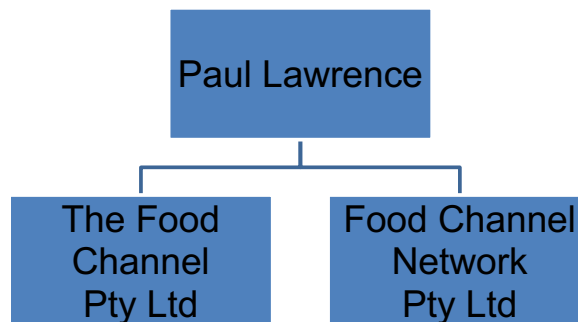
Reality Check

*There, but for the grace of God,
go I (or my client)!*

Television Food Network G.P. v Food Channel Network Pty Ltd (No 2) FCA 271 (27 March 2009)



| | |
|------------------|--|
| 1998 | Food Channel logo created |
| 28 August 2003 | The Food Channel Pty Ltd (Food Channel) filed application no 967804(16) |
| 20 January 2004 | Assignment to Food Channel Network Pty Ltd (Channel) recorded |
| 29 January 2004 | Acceptance advertised |
| 29 April 2004 | Notice of Opposition lodged |
| 29 November 2006 | Opp'n dismissed (ss 43 44 59) |
| 12 March 2007 | Notice of appeal lodged (42(b) 43 44 58 59 60) |



- Evidence that logo was used by both companies
- Mr Lawrence - *“someone who sees the business as his own and sometimes confuses the distinction between himself and his companies”*

Ownership basics

Ownership confers a right to registration:

S 27(1)(a) a person may apply for registration of a trade mark if the person claims to be the owner of the trade mark

Ownership is established by:

- By being the first to use the sign as a trade mark in relation to the designated goods/services;
- By the combined effect of authorship, the intention to use in relation to the designated goods/services and the application for registration

The Respondent's contentions

Submission A: The Respondent was the owner because there was “no proper evidence” otherwise.

Submission B: s 27 (1)(b)(i) - *Food Channel was the owner by first use*

- No use as a trade mark in relation to “printed matter”, so as to establish ownership through use [65]

Submission C: s 27(1)(b)(ii) - *Food Channel was the owner based on its intention to authorise use*

- No evidence of an *explicit* authorisation or intention to authorise use [74]
- *Implicit* authorisation - open on the facts to find that all companies controlled by Mr Lawrence were authorised to use the trade mark

“Does this assist the respondent?”

NO

s 27(1)(a) and (b) are distinct concepts

s 27(1)(b)(ii) only becomes relevant if s 27(1)(a) is satisfied, namely that the trade mark applicant is also the owner [78]

“It may very well be the case that Mr Lawrence initially considered that The Food Channel Pty Ltd should apply for registration of trade mark 967804, but later considered that a more appropriate trade mark applicant would be the respondent. Commercially, this is perfectly acceptable. However, from the perspective of the Act, this approach would only be acceptable if the Food Channel Pty Ltd were also the owner at the filing date. [81]

Conclusions:

- respondent had not discharged its evidentiary onus and established that Food Channel was the owner at the filing date;
- the evidence also supported a conclusion that a finding as to ownership was not possible.

“I consider that this is a defect in the application to register trade mark no 967804” [84]

“Was the defect in the application fatal?”

YES

“..... I am not satisfied in this case that The Food Channel Pty Ltd was the owner of trade mark no 967804 at the filing date. While there is evidence that the respondent was the owner at the filing date, in my view the confusion in the evidence is too great for me to make a positive finding to this effect.

However, even if the respondent were the owner at all times prior to and/or during the application process the defect in the original application is not cured by the assignment of the trade mark application to the respondent. This defect is fatal to the trade mark application.” [92]

The Lazarus Solution

*Crazy Ron's Communications Pty Ltd v
Mobileworld Communications Pty Ltd*
[2004] FCAFC 196

Global Brand Marketing Inc v YD Pty Ltd
[2008] FCA 605

S 6 **applicant** – the person in whose name the application is for the time being proceeding

Crazy Ron's Case:

Trial Judge (Allsop J):

“Crazy John Pty Ltd was a person who, while the application was proceeding, claimed to be the owner and who claimed to be the owner at the time of grant. Aust Pty Ltd before then claimed to be the owner but withdrew that claim. To make the application fail because of innocent error of the kind displayed in the evidence would impermissibly narrow the power of amendment in Part 6 of the TM Act. Crazy John claimed to be the owner during the registration process. It was an applicant. S 27(1)(a) was satisfied.” [83]

Mobileworld Communications Pty Ltd v Q & Q Global Enterprise [2003] FCA 1404

Allsop J's decision set aside on appeal. However, his treatment of the s 58 issue was approved by the Full Court:

“In light of the findings made by the primary Judge, it is tolerably clear that, while the application was still on foot and at the time of grant, Crazy John Pty Ltd claimed to be, and was the owner of, the 1999 Mark. There was material upon which his Honour could conclude that Crazy John was the owner of the 1999 Mark and intended to authorise another member of the group to use it. The grounds of invalidity referred to in s 58 and 59 are not made out.” [128]

Allsop J found that the filing error could be corrected by amendment

Moore, Sackville and Emmett JJ disagreed:

“S 65(5) should not be construed as permitting to be done by mere amendment of an application what should be done by withdrawal of the application and filing of another application.” [125]

Held: The application was amended contrary to the Act.
62(a) ground (s 88(2)(a)) made out.

S

Taking the Next Step: Cure by Assignment

Global Brand Case (2008):

- Diesel was the owner of the Shape Mark and the Sole Mark, by first user;
- Global was the applicant on 29 January 2004;
- Global assigned to Diesel on 11 June 2004;
- Marks accepted in September and October 2004

YD contended that since validity is to be determined at the filing date, the registrations were invalid because Global was never the owner of the marks

Sundberg J disagreed:

“I do not consider that ownership is to be tested as at the date of application” [124]

Sundberg J *“I think I should follow Crazy Ron’s. There the date at which validity was tested was squarely raised. The decision on this issue was based on the definition of “applicant” in s 6.”*
[134]

Conclusions:

- Diesel was, after 11 June 2004, the applicant for registration as it was *“the person in whose name the application is for the time being proceeding”* [136];
- YD’s cross claim based on s 58 of the Act failed

2 approaches to the “filing error issue”

1. Withdraw the application and file another application – Full Court *Crazy Ron’s* [125] and Collier J *Food Channel* [81]
2. Assign to the demonstrably true owner within the application period – Sundberg J *Global Brand* [135]

Watch this Space...

Appeal in *Food Channel* case to be heard on 17 & 18 May 2010 (Keane CJ, Stone and Jagot JJ)

At issue:

Whether the primary judge erred in ruling that evidence as to Food Channel's alleged ownership of the mark at the date of the application could not be relied upon: *Food Channel Network Pty Ltd v Television Food Network, G.P.* [2009] FCA 1445

Is there scope to consider the Global Brand approach?

Lessons from *Food Channel*

- “*Can't unscramble an egg*” - delve deeply when taking filing instructions. The basis for an ownership claim must be clear and corroborated;
- Consider your client's options carefully if caught by a filing error;
- When prosecuting opposition or revocation proceedings always look behind the application/registration.