TRADE MARKS ACT 1995

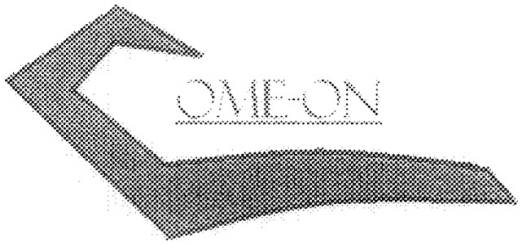
DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by JOHN PATRICK SHEILS to application under section 92 of the Act by LLEYTON HEWITT MARKETING PTY LTD to remove trade mark number 986440(25, 28) - **COME-ON and device** - in the name of JOHN PATRICK SHEILS

DELEGATE:	**Claudia Murray**
REPRESENTATION:	**Opponent:** Dimitrios Eliades of Counsel, instructed by Harold Littler of McKays Solicitors, Brisbane. **Applicant:** Luke Dale of Kelly & Co, Lawyers, Adelaide.
DECISION:	**2010 ATMO 41** Section 92 removal opposition – paragraph 92(4)(a) rebutted – trade mark to remain on the Register – costs awarded against removal applicant.

Background

1. Trade mark number 986440 is registered for the word and device trade mark:



2. The registration is in Classes 25 and 28 of the *International (Nice) Classification of Goods and Services*, for:

> **Class 25:** Tennis shirts, sun visors, sports socks, arm bands, jumpers, tracksuits and all types of clothing, headwear and shoes, tennis shoes, sports shoes
>
> **Class 28:** Tennis rackets, sports bags adapted for carrying sporting articles, sports equipment

3. The trade mark was registered from 29 January 2004 and the trade mark owner is John Patrick Sheils.

Application for removal

4. Lleyton Hewitt Marketing Pty Ltd ('LHM', or 'the removal applicant'), made application under section 92 of the *Trade Marks Act 1995* ('the Act'), for removal of the trade mark from

the Register for non-use, on 18 December 2007. The removal application sought removal for all of the goods covered by the subject registration and cited a ground for removal under paragraph 92(4)(a) of the Act. This provides:

> 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 and/or services to which the non-use application relates and that the registered owner:
>
> (iv) has not used the trade mark in Australia; or
>
> (v) has not used the trade mark in good faith in Australia;
>
> in relation to those goods and/or services at any time before the period of one month ending on the day on which the non-use application is filed.

5. Although no longer required under the Act at that time, the removal application was supported by a statutory declaration by Belinda Francis Sigismundi, dated 18 December 2007.

Notice of opposition

6. Notice of opposition was filed by the trade mark owner, John Patrick Sheils (or, 'the opponent') on 23 April 2008. In his notice of opposition, the opponent asserted that he had, on the day the application was filed, an intention in good faith to use the trade mark in Australia, and that the trade mark had been used in relation to the registered goods in Australia prior to the period of one month ending on 18 December 2008.

Evidence

7. The evidence in relation to this removal opposition comprises:

Evidence in Support

- Statutory declaration of John Patrick Sheils, with Annexures A to V, dated 23 July 2008 ('First Sheils Declaration').

Evidence in Answer

- Statutory declaration of Glynn Maxwell Hewitt, with Annexures A to Z, dated 22 October 2008.

Evidence in Reply

- Statutory declaration of John Patrick Sheils, with Annexures JPS-1 to JPS-6, dated 3 April 2009.

- Statutory declaration of Todd Greenstreet, with Annexure A, dated 24 December 2008.
- Statutory declaration of Bryan James Harry, with Annexure A, dated 29 December 2008.
- Statutory declaration of Victor Ting, with Annexures A and B, dated 12 January 2009.
- Statutory declaration of Christopher Gerard O'Reilly, with Annexure A, dated 28 January 2009.
- Statutory declaration of Rod Johnston, with Annexure A, dated 2 February 2009.
- Statutory declaration of Geoffrey Wayne Stein, with Annexure A, dated 4 April 2009.
- Statutory declaration of Wayne Alfred Heming, with Annexures A and B, dated 16 April 2009.
- Statutory declaration of Larry Keith Garner, with Annexure A, dated 20 April 2009.

8. The declarations by Mr Sheils and Mr Hewitt provide some background into the development of this trade mark dispute. Mr Sheils declares that he designed the 'come-on' logo trade mark with the help of his two daughters, and filed his trade mark application in Australia on 29 January 2004. He describes the trade mark in the following manner:

> The mark consists of two features - those being the word "COME-ON" and the representation of an arm giving a fist pumping gesture. When designing the mark I had the intention of creating a unique Australian sports logo. The word "COME-ON" is synonymous with Australian sport, particularly following its use in the song "Come On Aussie Come On" introduced in 1978 to promote World Series Cricket. The fist pumping gesture has been used by many sportspeople over the years as a symbol of success as indicated in the photographs of well known sportspersons annexed hereto marked "A". [The Annexure features thirteen sports photographs, predominantly of tennis players, each performing the gesture described.]
>
> At the time I designed the mark I had no intention of linking the mark with any particular sportsperson as I was seeking to develop a mark which would be representative of all Australian sportspeople.[1]

9. Mr Sheils then explains that, following his successful registration of the trade mark in Australia, he went on to also register it in Japan, USA and the European Community. He then set about ordering various items of sporting apparel such as polo neck shirts, t-shirts, singlets, visors and caps, together with business cards, all marked prominently with the new logo. Although very limited numbers of these items ('about 10 shirts') were sold by Mr Sheils from a stall he rented at the South Bank Markets in Brisbane during March and April 2005, it is clear from his evidence that the marked goods were primarily used as samples, which were

[1] First Sheils Declaration, paras 3-4.

variously handed out to the tennis star representatives, sports journalists, major sporting goods manufacturers, etc, whom he approached (unsuccessfully) in a bid to gain support for his concept of a trade mark 'representative of all Australian sportspeople'. Between 2004 and 2008, Mr Sheils also sponsored a local ten-pin bowling team, an Irish dancing school and other sporting entities. He provided some of his shirts to be worn by their members in interstate competitions.

10. By December 2007, Mr Sheils had become aware that LHM had applied for registration in Australia of the following trade marks, covering, between them, a very broad range of goods and services in classes 9, 14, 16, 25, 28, 32 and 41:

1212271

1212276

11. Mr Sheils instructed his attorneys to write to LHM, requesting withdrawal of the applications, as their use could constitute a potential infringement of his trade mark registration. He also indicated his intention to oppose the applications, in the event that they were not withdrawn. LHM did not withdraw the applications, which eventually progressed to registration without opposition. However, by way of response to Mr Sheils' letter of demand, LHM filed and served an application for removal of his trade mark registration for non-use, initiating the current proceedings subject of this decision.[2]

12. The declaration by Mr Glynn Maxwell Hewitt explains that he is Director of LHM, and has been associated with the removal applicant since its incorporation on 5 October 1999. He is also the father of professional tennis player Mr Lleyton Hewitt. LHM has been granted the sole and exclusive legal right to use and exploit Mr Lleyton Hewitt's name, likeness, image and reputation.

13. Mr Hewitt's declaration and exhibits chronicle the history of his son's professional tennis career, and in particular illustrate his use of a distinctive 'catchphrase' and 'salute'. He declares:

[2] First Sheils Declaration, paras 25-31 and Exhibits Q-V

> Lleyton has always used the catchphrase "come on"/"c'mon" during his tennis matches, as a means to motivate himself, or to indicate success. He has also consistently used fist pumping gestures when playing on the court, to indicate success during a match. Since approximately 2003, in addition to more traditional fist pumping gestures, Lleyton has also utilised a distinctive salute in which his hand is pointed towards his face (the "Salute").
>
> When Lleyton is playing a match, and otherwise when he is seen in public, supporters will often call out "come on"/"c'mon", and/or make a fist pumping gesture or the Salute, to demonstrate their support of Lleyton.
>
> Consequently, both the catchphrase "come on"/"c'mon", coupled with either the distinctive Salute gesture, or more traditional first pumping gestures, have become associated in the minds of the public with Lleyton (the "Brand").
>
> The Brand has been used in the sponsorship, endorsement, media and promotional activities undertaken by Lleyton and the Applicant since the commencement of Lleyton's professional career. Consequently, both Lleyton and the Applicant have established a substantial reputation in the Brand…
>
> In 2007, the marks the subject of the Applications, along with certain other marks, were designed for use in various business and commercial opportunities, to reflect in stylised form the Brand associated with Lleyton and the Applicant, as well as certain other distinctive features characteristic of Lleyton's playing career (e.g. his preference for wearing a baseball cap with the bill facing backwards while playing). The Applicant subsequently applied for registration of the designed marks as trade marks in Australia and various international territories, including by filing the Applications on 27 November 2007…
>
> As a result of Lleyton's extensive activities as a successful professional tennis player on the ATP Tour circuit, and his substantial and continuous use of the Brand since joining the ATP in January 1998, both Lleyton and the Applicant have acquired a substantial reputation in the various elements of the Brand (in particular the catchphrase "come on"/"c'mon"). Lleyton, the Applicant, the Brand and the Applications are recognised in the national and international market place, and have a significant reputation within the tennis and sports merchandise industry in particular. This reputation existed both in Australia, as well as internationally, prior to the filing date of the application for registration of the Mark, being 29 January 2004.[3]

Hearing

14. The opponent requested a hearing at the completion of the evidence stages, and this was held in Canberra before me, as delegate of the Registrar, on 10 February 2010. Mr Dimitrios Eliades of Counsel, instructed by Mr Harold Littler of McKays Solicitors, Brisbane, represented the opponent in person. The removal applicant was represented by Mr Luke Dale of Kelly & Co, Lawyers, Adelaide, initially by video and later in the hearing by phone link.

[3] Hewitt Declaration, paras 45-48, 76, 81.

Discussion

Burden on opponent to rebut grounds for removal

15. The provisions of section 100 place the burden squarely upon an opponent to rebut with evidence the removal applicant's allegations made under paragraph 92(4)(a). Section 101 provides for the Registrar's delegate, should they find they have been convinced by the opponent's evidence that circumstances exist making this reasonable, to decide not to remove the trade mark from the Register, even though the grounds on which the removal application was made have been established.

Intention to use and use in good faith

16. The removal applicant argued at the hearing that the opponent's evidence fell far short of that necessary to rebut the allegations that the trade mark was neither applied for nor used in good faith, on the goods specified in the registration. Mr Dale submitted that, inasmuch as Mr Sheils' evidence showed use of his logo at all, that use was in relation to the promotion of his concept. Mr Dale described that concept as 'a desire, and activities directed towards, associating the fist pumping gesture [depicted in the mark] with Australian sports and sportspeople generally, on a worldwide basis'. Such use, said Mr Dale, was not true use 'as a trade mark'. Then, if he was found to be wrong in that argument, Mr Dale also argued that the opponent's use, being 'de minimus in nature, when judged by the commercial standards applicable to the clothing and sporting apparel industry', was 'insubstantial and of a token commercial nature only', and accordingly was not use in good faith, according to precedent law.

17. Mr Dale pointed to the localized nature of the use, the lack of any evidence of use of the trade mark on many of the goods for which the trade mark is registered, and finally suggested that, if I was to consider using my discretion in terms of section 101 of the Act, then I should take into account Mr Sheils' lack of bona fides before making that decision. He argued that it was clearly possible to infer that the opponent was attempting to misappropriate or trade off Mr Hewitt's extensive reputation, and that this behaviour fell far short of 'the ordinary standards of acceptable commercial behaviour'.

18. For the opponent's part, Mr Eliades took me in some detail through Mr Sheils' evidence, and pointed to the relevant precedents dealing with what constitutes genuine commercial use, as opposed to mere 'token use', leaving aside what the courts have found to be the irrelevant

considerations of 'elements of honesty or subjective good intention'.[4] He provided me with the following useful summary of the issues:

> The opponent submits, that the cases teach the following principles in relation to s 92(4) of the Act:
>
> a) A single bona fide use of the mark in the relevant period is sufficient to resist an application for removal (*Woolly Bull*, *Gallo* (Flick J at [189]), *Kefir, McPherson)*;
>
> b) A bona fide course of trading involves a trading activity pursued with the primary intention of deriving from it a trading profit coupled with a trading goodwill (*Imperial*);
>
> c) A true trading use in relation to the class of goods specified will generally demonstrate a bona fide intention at the time of registration to make use of that mark thereafter in the course of trade: (*Imperial*);
>
> d) The evidentiary onus imposed on the owners in regard to intention at the time of filing is not great: (*Bunter; Structureco Inc v Starite Distributors Pty Ltd* [2000] ATMO 31; *Lifinia Pty Ltd v Zero International Holding GmbH* [2001] ATMO 106).
>
> e) It does not cease to be bona fide if there is use to protect a mark's registration from attack on the ground of non-use by reason of the lack of activity: (*Imperial; Murray*);
>
> f) And 'good faith' means a real and genuine as opposed to a token use in a commercial sense or not being a charade from a commercial point of view (*Murray; Imperial; Liquid Engineering*);
>
> g) "good faith" for the purposes of s 92(4) requires no more than genuine intent to use a mark for commercial purposes; it does not involve any element of honesty or subjective good intentions: (*Liquid Engineering* - Primary Judge upheld by the Full Court on the point; *Gallo*)
>
> h) There must be demonstrated a genuine commercial use (*Imperial; Woolly Bull; Nordstrom; Gallo; Kefir*; *Murray, Liquid Engineering*)
>
> i) Genuine commercial use is evidenced by conduct of opening a trading channel to a party and being ready and willing to sell to that party. (Drummond J at [24] in *Woolly Bull,* referring to *Settef)*[5]

19. I have carefully considered Mr Sheils' evidence, in light of all the issues discussed above. I find that, although I have some sympathy with LHM's concerns about the origins of his choice of trade mark, there are perhaps some passing similarities between this case and

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[4] *Liquideng Farm Supplies Pty Ltd v Liquid Engineering 2003 Pty Ltd* [2009] FCAFC 7 (13 February 2009).

[5] *Bunter v Hobarama LLC – (2005) 67 IPR 216*
Liquid Farm Supplies Pty Ltd (ACN 108 994 109) and Others v Liquid Engineering 2003 Pty Ltd (ACN 104 341 657) and Others – (2009) 79 IPR 437
Edwards v Liquid Engineering 2003 Pty Ltd (ACN 104 341 657) – (2008) 77 IPR 115
Settef SpA v Riv-Oland Marble Co (Vic) Pty Ltd – (1987) 10 IPR 402
E & J Gallo Winery v Lion Nathan Australia Pty Ltd (ACN 008 596 370)(2008) 77 IPR 69
E & J Gallo Winery v Lion Nathan Australia Pty Limited – [2009] FCAFC 27 (24 March 2009)
Woolly Bull Enterprises Pty Ltd and Another v Reynolds –(2001) 51 IPR 149

Liquideng[6], which suggest that an application for removal of this trade mark for non-use was never the appropriate way to attempt to address those concerns. In summary, Mr Sheils' evidence has established to my satisfaction that he had a genuine intention to use his trade mark in relation to the goods covered by his application on the day on which he filed the application, and that this intention has been borne out by his subsequent sales of some clothing items, in particular from his stall in the South Bank Markets. These sales are limited, it is true, but nevertheless they have been documented and independently verified by several declarants. Taking into account the precedents cited above, I find these sales to be genuine commercial use.

Discretion not to remove trade mark from the Register

20. Mr Eliades pointed out in his submissions that the majority of removal oppositions are decided under paragraph 92(4)(b) of the Act, which creates a relevant non-use period of 3 years ending a month before the non-use application is lodged. Also, by virtue of subsection 93(2), such an action may not be brought before a period of 5 years has passed from the filing date in respect of the application for the registration of the trade mark.' The emphasis under that provision is squarely upon determining the true extent and nature of a removal opponent's actual use of what, by that time, should be a well-established trade mark registration. The emphasis in paragraph 92(4)(a) is quite different, and its lack of popularity as a ground for removal is testament to the perceived difficulties around making a case reliant in part upon being confident of another party's inability to disprove an allegation that it never really intended to use a trade mark, at the very point at which it had gone to the trouble of filing an application for its registration.

21. Given these differences in the thrust of the two provisions, I have given some thought to whether it is necessary for me to separately exercise the discretion available under section 101, if the opponent's registration is to be preserved in respect of those goods, such as the tennis rackets, sports bags and sports equipment in class 28, for which Mr Sheils has shown no use. Subsection 101(3) provides:

> If satisfied that it is reasonable to do so, the Registrar or the court may decide that the trade mark should not be removed from the Register even if the grounds on which the application was made have been established.

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[6] *Liquideng Farm Supplies Pty Ltd v Liquid Engineering 2003 Pty Ltd* [2009] FCAFC 7 (13 February 2009), especially para 51

22. In the event, I have decided that a separate exercise of discretion under section 101 will *not* be necessary, as the construction of paragraph 92(4)(a) cannot lead me to a determination that partial removal of any goods should occur, based upon a finding that *part of* that ground for removal has been established. Instead, I find that removal under paragraph 92(4)(a) could only have succeeded here in respect of some of the goods covered by the registration if both of its 'undivided limbs' of intention and use (as Mr Eliades has put it) had applied in relation to those goods.

Decision

23. The opponent has discharged the onus upon him to rebut LHM's ground for removal. The opposition is therefore established and I refuse to remove trade mark number 986440 from the Register.

Costs

24. Both parties have requested their costs in this opposition matter. It is usual for costs to follow the event and, as the successful party, Mr Sheils is entitled to his costs. Accordingly, I award costs against the removal applicant as per Schedule 8 of the *Trade Marks Regulations 1995*.

Claudia Murray
Hearing Officer
Trade Marks Hearings
31 May 2010