

Australian Trade Marks Office Decision: M Malmsten AB v Competitor Swim Products Inc [2018] ATMO 108 (5 July 2018)

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Body

Canberra: Australian Trade Marks Office has issued the following decision: **DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS** Re Opposition by M Malmsten AB to registration of trade mark application 1752949 (28) – COMPETITOR - in the name of Competitor Swim Products Inc. 2018_10800.jpg DELEGATE: Robert Wilson REPRESENTATION: Opponent: Samuel Hallahan of Counsel, instructed by Davies Collison Cave **Applicant**: Siobhan Ryan of Counsel, instructed by Griffith Hack DECISION: 2018 ATMO 108 Trade Marks Act 1995 (Cth) - Section 52 opposition: s 58 considered – first use by other than **Applicant** in connection with a subset of the **Applicant**'s goods under s 58 – **Applicant** not the owner of the trade mark in respect of certain goods – not appropriate that claim be amended – registration refused 2018_10801.jpg Background This decision concerns an opposition brought by M Malmsten AB ('the Opponent') pursuant to s 52 of the Trade Marks Act 1995 ('the Act') to registration of the trade mark subject of the application detailed below in the name of Competitor Swim Products Inc ('the **Applicant**'): Application Number: 1752949 Filing Date: 17 February 2016 Goods : Class 28: Swimming equipment, including, **rac**ing lanes, lane lines, pool dividers, lane dividers for competition swimming, and backstroke flags mounted on a rope for suspension across **rac**ing lanes to assist swimmers ('the **Applicant**'s Goods') Trade Mark: COMPETITOR ('the Trade Mark') On 14 July 2016 the application's acceptance for possible registration was advertised in the Australian Official Journal of Trade Marks.

The Opponent filed a Notice of Intention to Oppose the registration on 14 September 2016 and a Statement of Grounds and Particulars ('the SGP') on 14 October 2016. The SGP nominated grounds of opposition under ss 42(b), 58, 60 and 62A of the Act. The **Applicant** filed a Notice of Intention to Defend on 28 November 2016. Evidence The Opponent filed Evidence in Support of its opposition ('EIS') on 6 March 2017. This evidence consists of: Declaration made on 3 March 2017 by Tommy Malmsten, the owner of the Opponent, with Exhibits TM-1 to TM-16 ('Malmsten 1'). The **Applicant** filed Evidence in Answer ('EIA') on 9 June 2017. This evidence consists of: Declaration made on 8 June 2017 by Brad Underwood, the President of the **Applicant**, with Annexures X1 to X20 ('the Underwood declaration'). The Opponent filed Evidence in Reply ('EIR') on 16 August 2017. This evidence consists of: Declaration made on 15 August 2017 by Tommy Malmsten with Exhibits TM-1 to TM-3 ('Malmsten 2'). Once the time allowed for filing evidence had ended the parties requested on oral hearing. I heard the matter in Canberra on 21 March 2018 as a delegate of the Registrar of Trade Marks. Samuel Hallahan of Counsel, instructed by Davies Collison Cave, appeared for the Opponent. Mr Hallahan's oral submissions were supplemented by written submissions filed with IP Australia on 23 February 2018. Siobhan Ryan of Counsel, instructed by Griffith Hack, appeared for the **Applicant**. Ms Ryan's oral submissions were supplemented by written submissions filed with IP Australia on 2 March 2018. Both representatives' written submissions were filed in accordance with my earlier directions. The Opponent According to Malmsten 1: The

Opponent was founded in 1974 by Tommy and Margareta Malmsten. Tommy Malmsten was a competitive swimmer and a Swedish national swimming coach. The Opponent designs and manufactures swimming pools and equipment and accessories for use in and in relation to public pools, sports pools and in relation to water based sports activities, and has been doing so for over forty years. The Opponent's products include almost everything required for constructing, renovating or managing a swimming pool and include **racing** lane lines, diving boards, gratings, pool toys, anchors, pool ladders, starting platforms, swimming goggles, pool signage, pool cleaning equipment, timing systems, water polo equipment, water slides and baby related swim products. The Opponent also provides advisory, education and training services in relation to the aforementioned products and the swimming pool and water sports competition field. The Opponent's products can be found in swimming pools and in aquatic centres in many countries of the world, including Australia. ... The Opponent has developed a significant reputation globally, including in Australia, for its world class competition products. The Opponent has been the exclusive Official Supplier for FINA (Fédération Internationale de Natation, or the International Swimming Federation) since 2009, supplying COMPETITOR **racing** lane lines as well as water polo equipment (goals, field, referee's catwalks, ball holders, ball release) and finishing lines for the marathon open water swim. The Opponent's products (including COMPETITOR **racing** lines) have been used at eight Olympic Games for swimming and aquatic events since 1976 and the partnership with FINA has been officially extended until 2020. ... In addition, the Opponent is the Official Supplier for LEN (Ligue, Européenne de Natation, the European association responsible for Aquatics) since 1999, supplying COMPETITOR **racing** lane lines, as well as water polo equipment and competition field equipment for synchronized swimming. ... The Opponent uses the COMPETITOR trade mark in Australia and many countries throughout the world in relation to **racing** lane lines and water polo fields of play ('the Opponent's Goods').

The **Applicant** According to the Underwood declaration: [The **Applicant** is headquartered in Columbus, Ohio, in the United States. [The **Applicant** was formed in 2012. It is the successor in interest to Richey Industries Inc., ['Richey']] formed in 1987, which in turn was the successor in interest of the Kiefer McNeil Division of McNeil Corporation, ['McNeil'], formed around 1960. Relevant to this Opposition, the trademark rights held by [McNeil] in the COMPETITOR mark were assigned to [Richey], and subsequently assigned to [the **Applicant**, along with all goodwill associated therewith. Because of the line of proprietorship described above, Mr Underwood refers in his declaration to the **Applicant**, Richey and McNeil collectively and individually as 'the **Applicant**'. The Underwood declaration continues: Since 1960, the **Applicant** has been a leader in the pool and swim competition industries, offering **racing** lanes, lane hardware, lane reels, pace **clocks**, swim flags, and goggles. ... The **Applicant**'s products, including its lane lines, are purchased by customers around the world. Since 1973, the **Applicant** has made direct sales under the COMPETITOR brand of lane lines, lane reels, pace **clocks**, and other products to customers in various countries including, not limited to, ... Australia ... The **Applicant** sells thousands of lane lines every year. The **Applicant**'s COMPETITOR lane lines have been relied upon in nine out of the past twelve Olympic Games. For several of these Olympic Games the lane lines were physically supplied by Opposer1 who was licensing the COMPETITOR trademark and the lane line technology from the **Applicant** pursuant to written agreements ... The **Applicant**'s COMPETITOR lane lines are the official lane line of the NCAA (National College Athletics Association) and USA Swimming (the National Governing Body for the sport of swimming in the United States) organisations. ... The **Applicant** is the owner of U.S. Trademark Registration No. 1,948,076, for COMPETITOR. This registration was granted on January 16, 1996, and covers 'swimming equipment, namely, **racing** lanes, storage reels for **racing** lanes and covers therefore, goggles, flags mounted on a rope for suspension across **racing** lanes to assist swimmers executing the backstroke in gauging distance to the pool ends to facilitate turns. The Relationship between the **Applicant** and the Opponent

The Underwood declaration provides the following information about the relationship between the parties: The 1975 License In 1975, [McNeil] entered into a licensing agreement with the Opponent (then Training Equipment Company). Under the license, the Opponent was given the right to manufacture and sell [the] **Applicant**'s patented lane line technology within a contractual territory. As part of the license the Opponent was also provided with relevant molds and training services. This license is herein referred to as the '1975 License'. The 1975 License is attached as Annexure X4. The contractual territory of the 1975 License consisted of countries in Europe and certain contiguous countries (approximately 25 total). Australia was not included in the contractual territory. In 1975, the **Applicant** was offering lane lines under the COMPETITOR mark. 2018_10802.jpg 1 In his declaration Mr Underwood refers to the Opponent as 'Opposer'. For ease of reference 'the Opponent' has been substituted for 'Opposer' in all other quotes from the Underwood declaration. Under the 1975 License, the Opponent was also given the license to use

the name 'Competitor Swimming Pool Lanes by Kiefer McNeil' or portions thereof. The Opponent was also obliged to clearly publicize its activities by making the following notification 'Competitor Swimming Pool Lanes manufactured and sold by Training Equipment Company under license from Kiefer McNeil, Akron, Ohio, U.S.A.' The 1975 License made clear that if the license terminated the Opponent would lose the right to use 'Competitor Swimming Pool Lanes by Kiefer McNeil' or portions thereof. ... The 1999 License In 1999, [Richey] entered into a license agreement with the Opponent (then Malmsten Training Equipment AB) whereby the Opponent received a license to manufacture and sell the Applicant's racing lanes, including the Competitor® Racing Lanes. This license is herein referred to as the '1999 License' and is attached as Annexure X6. It is my understanding that the 1975 License was in effect until the 1999 License went into effect. Pursuant to the 1999 License, the Opponent was given license to use the COMPETITOR mark in connection with the licensed products. Pursuant to the 1999 License, the Opponent was at all times required to publicize its activities under the license by giving the following notification: 'COMPETITOR® Racing Lanes manufactured and sold by Malmsten Training Equipment under license from COMPETITOR®, Medina, Ohio, U.S.A.' Pursuant to the 1999 License, in the event the Agreement was terminated, the Opponent would lose the right to use the name COMPETITOR. Pursuant to the 1999 License, the Opponent was limited to a [sic] certain contractual territories of certain European countries and contiguous countries (approximately 41 in total). Australia was not part of the contractual territory. The 2014 Purchase Agreement On June 24, 2014, the Opponent and the Applicant entered into an Asset Purchase and License Termination Agreement (herein referred to as the '2014 Purchase Agreement'). Pursuant to the 2014 Purchase, [sic] the Opponent purchased the Applicant's rights to certain product lines, including lane lines, in Europe. The 2014 Purchase Agreement expressly terminated the 1999 Agreement. The 2014 Purchase Agreement recognized that the 1975 and 1999 License Agreements granted [the Opponent] 'the right to manufacture and sell certain swim racing lanes under [the Applicant's] COMPETITOR and KIEFFER [sic] COMPETITOR marks within Europe and certain contiguous countries ...' Annexure X7. Under the 2014 Purchase Agreement, the Opponent received the rights to COMPETITOR in Europe, including the rights to several trademark registrations for COMPETITOR, KIEFER COMPETITOR, and KIEFER in European countries. The 2014 Purchase Agreement did not grant the Opponent the right to use COMPETITOR in Australia. There is general agreement between the parties as to the relationship between them as described in the above excerpts from the Underwood declaration. Grounds of Opposition, Onus and Standard of Proof As indicated above, in the SGP the Opponent nominated grounds of opposition under ss 42(b), 58, 60 and 62A. As will become apparent it is necessary only that I consider the ground pursuant to s 58 in this decision. Of course, should the decision be appealed, it would remain open to the Opponent to plead any ground available to it under the Act in proceedings before the appellate Court. The onus of proof in an opposition rests upon the opponent.² The relevant standard of proof is the ordinary civil standard based on the balance of probabilities.³ The date at which the rights of the parties are to be determined is 17 February 2016, being the filing date of the application ('the Relevant Date').⁴ Discussion Section 58 The ground based on s 58 of the Act is particularised in the SGP as follows: The Opponent has used the COMPETITOR trade mark, which is identical to the Trade Mark, in Australia and elsewhere in relation to the Opponent's Goods, being goods which are identical to (or at least the same kind of thing as) the goods covered by the opposed Application, since a date prior to the Priority Date and prior to the use of the Trade Mark by the Applicant in Australia. Therefore, the Opponent is the owner of the Trade Mark in Australia and registration of the Trade Mark would be contrary to section 58 of the Act. The Opponent's Goods are defined in the SGP as 'pool dividers, lane ropes, lane lines and line dividers for swimming pools'. Section 58 of the Act is reproduced below: Section 58. Applicant not owner of trade mark The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark. The owner of a trade mark for particular goods/services is the person who first uses it in Australia, or first files a trade mark application in Australia, in relation to those goods/services, whichever is the earlier. It is now well established that in 2018_10802.jpg 2 Food Channel Network Pty Ltd v Television Food Network GP [2010] FCAFC 58, [32]. 3 Telstra Corporation Limited v Phone Directories Company Ltd [2015] FCAFC 156, [132]-[133]. 4 Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd [1954] HCA 82, [2]. order to succeed under this ground of opposition the Opponent must establish three factors. These are: that the Trade Mark is identical, or substantially identical, to the trade mark relied upon by the Opponent;⁵ that the Applicant's Goods are the 'same kind of thing' as the goods for which the trade mark relied upon by the Opponent was used;⁶ and that a person other than the Applicant has the earlier claim to ownership of the Trade Mark based on use in Australia prior to whichever is the earlier of: (a) the application to register; or (b) any actual use of the trade mark by the

Applicant 7 The COMPETITOR trade mark relied upon by the Opponent is identical to the Trade Mark and this factor need not be discussed further. I move then to consider the asserted uses of the Trade Mark in Australia by the parties. Ms Ryan and Mr Hallahan both provided useful tables which list claimed pre-priority date uses of potentially relevant trade marks which is referred to in the parties' evidence. A table adapted from those is reproduced below. It is generally the case that an individual use shown in the table is claimed by both parties as use by them: either use by the Opponent or use by the Opponent under licence from the **Applicant**.

Date **Event**

1998 COMPETITOR **racing** lanes used at the FINA World Championships held in Perth. Malmsten 1 [19]; TM-4 Underwood [54] 2009 Work with 'local companies'. Malmsten 1 [21] 2010 Enquiries through the Swedish trade Commission in Australia. Malmsten 1 [21] Underwood [56] 5 August 2011 Three pace **clocks** shipped to NSW. Underwood [36]; X8 2018_10803.jpg 5 Carnival Cruise Lines Inc. v Sitmar Cruises Limited [1994] FCA 936; (1994) 31 IPR 375. 6 Re Hicks' Trade Mark [1897] VicLawRp 118; (1897) 22 VLR 636. 7 Settef SpA v Riv-Oland Marble Co (Vic) Pty Ltd (1987) 10 IPR 402, 413. 2013 The first order for starting blocks was sent to Wollongong. Malmsten 1 [21] 1 January 2014 Advertising on www.swimswam.com. Underwood [48]-[50]; X18 11 August – 2 September 2014 Dispatch of product brochures and an offer for sale in response to an enquiry from ACOR Consultants Pty Ltd. Malmsten 1 [21]; TM-6; TM-7 23 September 2014 Sales to Ceramic Solutions Pty Ltd. Malmsten 1 [21]; TM-6; TM-7 Underwood [57]; X7 2014 Ballarat Aquatic Centre opened. Malmsten 1 [23]; TM-10 2015 Aquanation Leisure and Fitness Centre opened. Malmsten 1 [23]; TM-10 2015 Aqua Pulse Wyndham opened Malmsten 1 [23]; TM-10

I will consider the above in turn beginning with the 1998 use. Exhibit TM-4 to Malmsten 1 is declared to be 'the Opponent's COMPETITOR brochure produced in 2013 and also distributed in Australia'. It is also declared that the brochure contains: a list of major competitions dating back to 1976 at which the Opponent's Goods (and specifically **racing** lane lines) featuring the COMPETITOR trade mark have been used. These events include the 1998 FINA World Championships held in Perth, Australia. The Opponent has provided no other evidence concerning the 1998 use of the Trade Mark. The **Applicant** has provided no evidence in respect of the 1998 use. The evidence before me of the 1998 use amounts to little more than an unsupported bald statement which falls well short of that required to satisfy me there was in fact use of the Trade Mark in Australia in 1998. This uncorroborated use need not be considered further. The 2009 use is mentioned in Malmsten 1 where it was declared: The Opponent has been marketing its printed material worldwide since 1990. ... In Australia, the Opponent started to work with local companies in 2009. The above statement is the extent of the evidence of the 2009 use. There are no supporting exhibits. This is, again, an unsupported bald statement which is insufficient to satisfy me that there was use of the Trade Mark in Australia in 2009. This asserted use need not be considered further. The Opponent's evidence concerning the 2010 use is confined to the following statement in Malmsten 1 wherein it was declared, 'In 2010 enquiries were also made through the Swedish Trade Commission in Australia regarding market size and shipping possibilities'. In respect of the 2010 use it was declared in the Underwood declaration: [T]he **Applicant** was aware of the 2010 enquiries, as it understood that the Opponent was making such enquiries essentially on its behalf ... There is no other evidence before me concerning the 2010 use. This evidence is insufficient to satisfy me that the Opponent used the Trade Mark in Australia in 2010. This asserted use need not be considered further. The 5 August 2011 use claimed by the **Applicant** is referred to in the Underwood declaration wherein it was declared: On August 5, 2011, the **Applicant** sold three red, 15" pace **clocks** to a customer in Australia. Annexure X8 is an entry in the **Applicant**'s 2011 accounting records showing the sale of the **clocks** (product code 200 400). As shown in this Annexure, these **clocks** were sold to a customer in New South Wales, Australia. A picture of the type of **clock** sold to the Australian customer in 2011, product code 200 400, is shown in Annexure X9, which is a page from one of the **Applicant**'s brochures distributed around the 2011 timeframe. As can be seen the COMPETITOR mark is prominently located on the face of the **clock**. Annexure X8 to the Underwood declaration consists of three pages. The pages are heavily redacted to the extent that each page shows only a single line of detail beneath column headings. The first page of the annexure is reproduced below: H:\Noncorp\Madrid\Untitled.png The second and third pages are similar with the details showing a 'ShipToAddress' and a 'BillToAddress' both in New South Wales. Annexure X9 to the Underwood declaration contains the following image: H:\Noncorp\Madrid\Untitled.png Although the image is slightly unclear, I am satisfied that the pace **clocks** in the image bear the Trade Mark. With respect to the 5 August 2011 use Mr Hallahan submitted: It is apparent that the **Applicant** seeks to rely on Richey's sale of three pace **clocks** in August 2011. Despite the attempt in the **Applicant**'s evidence to elide the distinction between Kiefer McNeil, Richey and the **Applicant** by grouping them

under the same defined term of 'the Applicant' in Mr Underwood's declaration, the distinction between each company is real and significant—Richey is not the applicant, and use of the trade mark by Richey does not constitute use of the trade mark by the Applicant. In her submissions Ms Ryan asserted that due to the succession of interest in the Trade Mark it is entirely appropriate that McNeil, Richey and the Applicant be grouped together in the way they have been in the Underwood declaration. To support her view, Ms Ryan referred to the Recitals of the Asset Purchase Agreement found at Annexure X7 ('the 2014 Purchase Agreement') of the Underwood declaration. The Recitals include acknowledgement by the parties to the agreement that: [The Applicant] owns intellectual property ... including COMPETITOR, KIEFER COMPETITOR, and other marks ... [The Applicant] and [the Opponent] are parties to certain license agreements ... between their predecessors-in-interest (Swim Products Division of Richey Industries and Malmsten Training Equipment, respectively) pursuant to which Malmsten was granted the right to manufacture and sell certain swim racing lanes under CSP's COMPETITOR and KEIFFER [sic] COMPETITOR Marks within Europe and certain contiguous countries ... Exhibit 2 to the Purchase Agreement is described in the agreement as acknowledgement of assignment of trade marks from Richey to the Applicant. The exhibit is headed 'Assignment of Trade Marks' and is a document executed on 1 November 2012 ('the Assignment Agreement'). According to the document, it assigns to the Applicant: all right, title and interest in and to the marks listed on Exhibit A ('Marks'), together with the entire goodwill of the business symbolized by the Marks and the identified registrations thereof. Exhibit A to the Assignment Agreement lists a total of ten trade mark registrations for the trade marks KIEFER COMPETITOR, COMPETITOR and KIEFER in various jurisdictions being Benelux, EPO, France, Germany, Spain, Switzerland and Lichtenstein, and the United States of America. The Assignment Agreement appears to explicitly restrict the assignment to the trade marks registered in the countries listed in the exhibit. On the basis of the Assignment Agreement and Exhibit A to that agreement, I am satisfied that Richey was a predecessor in title of the Applicant's interest in the Trade Mark but only to the extent contained in the Assignment Agreement, which as explained did not extend to Australia. Consequently, any use of the Trade Mark in Australia by Richey is not, on the evidence before me, use of the Trade Mark in Australia by the Applicant's 'predecessor in title' in this country. I am nevertheless satisfied that the sale of the pace clocks in Australia constituted use of the Trade Mark by Richey in relation to those specific goods and I take this as the first use of the Trade Mark in Australia for any goods. I move on then, to consider the relationship, if any, between pace clocks and the Applicant's Goods. Pace clocks are used by swimmers to keep track of lap times and other time intervals during training sessions. They may be relatively small clocks which sit on the edge of the pool at the end of an individual lane, or they may be larger items mounted on a wall and visible to all swimmers in the pool. They are items designed specifically for use by swimmers and are not clocks as this term is usually understood. The face of a pace clock is divided into 60 seconds. They typically have '60' written at the top of the clock and '30' at the bottom and have two hands: one counts seconds, the other minutes. There is no hour hand and they are not used for telling the time. Pace clocks make up part of the equipment typically found at a swimming pool in which competitive swimming or swimming training takes place. The Applicant's Goods include a broad claim for swimming equipment along with some specific examples such as racing lanes and backstroke flags mounted on a rope for suspension across racing lanes to assist swimmers. Mr Hallahan submitted that were the sale of the pace clocks found to be use of the Trade Mark in Australia this would not be use in respect of the same kind of thing as something as widely described as 'swimming equipment' and thus would not make Richey, even if it were the Applicant's predecessor in title, the owner of the trade mark in respect of racing lanes in any event. In *Colorado Group Limited v Strandbags Group Pty Ltd*, 8 Kenny J considered the concept of goods of the same kind in the context of s 58 and stated: In identifying whether or not goods or a class of goods are essentially the same as other goods or classes of goods, a decision-maker will have regard to a range of factors, depending on the goods in question. Physical and functional differences may be relevant. Other matters may be as well. There is no bright line that marks out the factors for a 'same kind' inquiry from the factors for a 'same description' inquiry, although these inquiries may differ in the answers they yield. Goods that are properly regarded as 'essentially the same' may well cover a narrower field than goods 'of the same description'. As Allsop J notes, this approach conforms to the approach in the Trade Mark Office in opposition proceedings based on prior use. His Honour refers to numerous examples. Other examples can be cited. In *Howe Laboratories Inc v Daemar* [(1996) [1996] ATMO 48; 36 IPR 638] the services of the opponent—the treatment of motors and engines—were held not to be the same kind of thing as the applicant's lubricant conditioning agent. In *Coleman Company Inc v Igloo Products Corporation* (1999) 48 IPR 158 the opponent's

insulated containers were held not to be the same kind of thing as the applicant's insulated thermoelectric containers. In *The Hoyts Corporation Pty Ltd v Hoyt Food Manufacturing Industries Pty Ltd* (2003) 61 IPR 334, the opponent's service of providing food and drink refreshments to cinema patrons was not the same kind of thing as the applicant's food goods. In *Nissan Jidosha Kabushiki Kaisha v Woolworths Ltd* (1999) 45 IPR 649 the clocks mounted on the opponent's vehicles were not the same kind of thing as the applicant's clocks and watches. In *Cantarella Bros Pty Ltd v Novadelta-Comercio E Industria De Cafes LDA* ((1998) 42 IPR 265 olive oil products and olive products were held not to be the same kind of [thing] as coffee. ... The Register is a public document ... Whilst the Register may be altered or amended from time to time, it is as the heart of the statutory regime for trade mark registration ... If the acquisition of ownership of a mark by prior user were to extend to a broad ill-defined set of goods, this would have the capacity to undermine the efficiency of the registration system. For these reasons and for the reasons stated by Allsop J, I agree that backpacks used predominantly by school children are not essentially the same as handbags.⁹ Ms Ryan submitted that the use of a trade mark in relation to racing lanes and starting blocks is use of a trade mark in relation to the same kind of thing as the swimming equipment the Applicant has claimed in Class 28. Following the rationale of Kenny J, above, the, perhaps, 'broad ill-defined set of goods' being swimming equipment is not the same kind of thing as any of racing lanes, starting blocks or pace clocks. Nor indeed are racing lanes, starting blocks or pace clocks the same kind of thing as each other. I am satisfied that Richey was the first user of the Trade Mark in Australia, being its use in relation to pace clocks discussed 2018_10803.jpg 8 [2007] FCAFC 184; (2008) 74 IPR 246. 9 *Ibid* [16]–[20]. above. However, in the absence of any evidence or submissions that the Applicant's claim for swimming equipment encompasses any items other than those that are potentially the same kind of thing as pace clocks, I consider the use of the Trade Mark by Richey to be in connection with pace clocks only and that Richey is the owner of the Trade Mark in respect only of those goods. I move now to consider further asserted use of the Trade Mark. The 2013 use is referred to in Malmsten 1 in the following manner: 'In 2013, the first order for starting blocks was sent to Wollongong in Australia'. This is the extent of the reference to the provision of these goods and there is no supporting exhibit. This falls well short of the evidence required to satisfy me that the Trade Mark was used in Australia in 2013. This asserted use need not be considered further. The following is declared in the Underwood declaration in respect of the 1 January 2014 use claimed by the Applicant. In addition to its own website, the Applicant also advertises through the swimming news organization 'SwimSwam', particularly on the SwimSwam website (www.swimswam.com). Examples of advertisements the Applicant runs on SwimSwam are shown in Annexure X18. SwimSwam targets the Australian market, among others. SwimSwam's 'Swimming Australia' network has approximately 90,000 members. In any given month, Swim Swam gets thousands of views from the Australian market. For example, during the month of August 2016, over 250,000 views of the SwimSwam website came from users located in Australia. The Applicant has advertised with Swim Swam since January 1, 2014. Annexure X18 consists of three pages. Each page contains what appears to be a screenshot of the Swim Swam website. There are a number of weaknesses in this evidence. The screenshots are undated and somewhat unclear, and it is not declared that the screenshots were taken before the Relevant Date. While the statement from the Underwood declaration, above, indicates the website targets the Australian market there is nothing in the annexure which supports this claim. The evidence provided is insufficient to satisfy me that the Trade Mark was used in Australia at any time before the Relevant Date through any use which might have occurred on the Swim Swam website from 1 January 2014. This asserted use need not be considered further. The 11 August – 2 September 2014 use is referred to in Malmsten 1 as follows: Attached hereto and marked Exhibit TM-6, is e-mail dated August 11 – September 2, 2014 to ACOR Consultants Pty Ltd in Australia with marketing material relating to the COMPETITOR racing lane lines and also an offer for sale. Exhibit TM-6 is some 29 pages long. The first few pages are an email chain which commences with an email from a Mr Varga at a company based in Crows Nest, New South Wales, called ACOR Consultants Pty Ltd ('ACOR'). The email is dated 5 August 2014 and contains an enquiry regarding 'Below Deck Lane Rope Storage'. The email was responded to by a Ms Håkansson at the Opponent's Swedish office on 11 August 2014. Ms Håkansson enclosed 'some additional information' and indicated that Mr Varga should allow 6–8 weeks for any order to be dispatched. Mr Varga responded on the same day with further enquiries. On 13 August 2014 Ms Håkansson responded and enclosed an 'offer for in-ground lane rope storage, storage bags and lane slider'. The email chain ends with another email from Ms Håkansson which asks whether Mr Varga has made any decision on the purchase offer. The rest of the exhibit consists of: a copy of the offer to supply which is dated 12 August 2014; what appears to be technical drawings of the 'lane well' used for the storage of lane ropes; and, brochures

with information about the Opponent's products. The information provided with the offer indicates that the storage bags are 'suitable for one Malmsten Competitor Gold lane 50m'. The brochure includes a number of instances of use of the Trade Mark in connection with lane sliders, racing lanes, spring covers, lane numbers, take-up-reels, wrench for use in connection with take-up-reels, storage bags and water polo fields of play ('the August/September 2014 goods'). Some examples are shown below: H:\Noncorp\Madrid\Untitled.png H:\Noncorp\Madrid\Untitled.png There is no suggestion that ACOR ever purchased any of the equipment discussed in the email chain. However, the email chain evinces a clear intention to supply in connection with goods bearing the Trade Mark. This is sufficient to constitute use for the purposes of s 58.2018_108.html#_bookmark14">10 I am satisfied then that the Opponent used the Trade Mark in Australia in relation to the August/September 2014 goods at least as early as 12 August 2014.

The 11 August – 2 September 2014 use discussed above occurred after the licensing arrangements (for Europe and contiguous territories) between the 2018_10808.jpg 10 Moorgate Tobacco Co Ltd v Philip Morris Ltd [1984] HCA 73; (1984) 156 CLR 414, 433–4. Applicant and the Opponent ceased following the execution of the 2014 Purchase Agreement on 24 June 2014. Ms Ryan submitted that the use occurred in a period which is very proximate to the licence and that there is no evidence from the Opponent that it had adjusted or manufactured new products for sales in the period after the end of the licence agreement. It is reasonable to assume, submitted Ms Ryan, that if the Opponent was selling stock that it had on hand at the end of June it was selling stock that was manufactured under licence and which bore words to that effect. As such, Ms Ryan submitted, the Applicant has claim to those goods as being made under licence. Ms Ryan also noted that the brochure supplied to ACOR was printed in 2013, which was during the licence period.

The Recitals of the 2014 Purchase Agreement include the following: WHEREAS, [the Applicant] owns intellectual property ('Intellectual Property') in connection with the business including (a) registered and unregistered trademarks, trade dress and service marks, including COMPETITOR, KIEFER COMPETITOR, and other marks (collectively, the 'Marks'), and associated goodwill relating to the Marks, as well as (b) certain technology (including molds) and know-how of [the Applicant] relating to the manufacture of the Equipment (the 'Technology'); and ... WHEREAS, [the Opponent] desires to purchase, and [the Applicant] desires to sell its rights to the Equipment product lines of swimming racing lanes, lane lines and lane dividers, and boundary sides for water polo courses ('Products') in Europe. Clause 1 of the 2014 Purchase Agreement states: The Licence Agreements shall terminate upon the Effective Date of this agreement and neither party shall have any further liabilities or obligations thereunder; including any past liabilities or obligations due or deemed outstanding by either party. The termination of the License Agreements shall not affect other obligations due or deemed outstanding by either party that have not arisen under the terms thereof. Clause 2 states: Subject to the provisions of the following Section 8, [the Applicant] hereby transfers to [the Opponent] all of [the Applicant's] rights, title, and interest in and to the Marks and Technology related to the Products (including the goodwill associated with the Marks) in Europe ('Purchased Assets'), and [the Opponent] hereby accepts such transfer, subject to the terms and conditions of this Agreement. ... The registered Marks owned by [the Applicant] and subject to this Agreement are listed in the attached Exhibit 1. Other than with respect to the Purchased Assets, nothing in this Agreement shall constitute a transfer of any other [of the Applicant's] products, trade secrets, technology, know-how, related materials, equipment, trademarks, service marks, or business.

It is clear from the 2014 Purchase Agreement that the Applicant divested itself of its interests in the Trade Mark and associated technologies and the Opponent ceased to have further obligations to the Applicant in respect of the 'Products' listed in the Recital quoted in para 39 above. However, this divestment applied to Europe only and the language of the agreement explicitly excludes rights associated with Australia by use of the words 'nothing in this Agreement shall constitute a transfer of any other [of the Applicant's] ... trademarks'. In any event, I found, above, that the Applicant had at the time of the execution of the agreement accrued no rights in respect of the Trade Mark in Australia which it could have assigned. There is nothing before me which suggests that the Opponent had any residual obligation to the Applicant beyond the execution of the 2014 Purchase Agreement either in Europe or Australia which might have arisen from its pre-existing licence agreements. I am satisfied therefore that the 11 August – 2 September 2014 use of the Trade Mark by the Opponent was not use as an authorised user of the Applicant, but was use by the Opponent in its own right. The Opponent, therefore, is the first user and owner of the Trade Mark in Australia in respect of the August/September 2014 goods.

The 23 September 2014 use is supported by Exhibit TM-7 to Malmsten 1. The exhibit is declared to be, 'two Pro forma order confirmations dated September 23, 2014 for COMPETITOR products sold to Ceramic Solutions (Aust) Pty Ltd' ('Ceramic Solutions'). The exhibit consists of three pages and shows use of the Trade Mark in connection with

racing lanes, spring covers and lane sliders. The value of the goods in the order confirmations is redacted. Malmsten 1 states that Ceramic Solutions later in 2014 became the Opponent's distributor throughout Australia. Exhibit TM-8 is declared to be pages from Ceramic Solutions Australian website. The website shows use of the trade mark in connection with racing lanes only. The pages are dated 3/1/2017. Ms Ryan submitted that, for the reasons discussed earlier, these are use of the Trade Mark authorised by the Applicant . If it were to be found that these uses were by the Opponent they would not assist the Opponent any further in respect of this ground of opposition. Nor would it assist the Applicant if these were found to be use of the Trade Mark which was authorised by the Applicant . It is, therefore, unnecessary that I decide that question. Malmsten 1 refers to the remaining three instances of use in the table as follows: Attached hereto and marked Exhibit TM-10 is a project list from [Ceramic Solutions'] website confirming that the Opponent's products, including lane ropes (in respect of which [the Trade Mark] is used) have been used in relation to a number of projects in Australia including Aquanation Leisure & Fitness Centre (opened in 2015), Aqua Pulse, Wyndham (opened in 2015) and the Ballarat Aquatic Centre (opened in 2014). ... I understand that the Opponent's Goods featuring the COMPETITOR trade mark have been used at each of the above centres at least as early as the completion of each project. Exhibit TM-10 is as described. The Trade Mark is not mentioned although there is reference to some 'Malmsten' products. To the extent that this supports a view that products bearing the Trade Mark were supplied for the mentioned projects it cannot assist either the Opponent or the Applicant with respect to this ground of opposition as the goods do not go beyond those for which the Opponent has demonstrated first use. In summary, I have found use of the Trade Mark before the Relevant Date in connection with the following goods ('the Section 58 Goods'): clocks (by Richey, but not as the Applicant 's predecessor in title in Australia); lane sliders ; racing lanes; spring covers; lane numbers ; take-up reels for racing lanes; storage bags; and water polo fields of play. The use was by other than the Applicant . The Applicant is, therefore, not the owner of the Trade Mark in respect of the Section 58 Goods. Ms Ryan has submitted that: Even if [the Opponent] were able to establish first user, the products were manufactured using CS Technology and [the Trade Mark] for a purpose not contemplated by the Licences or the Purchase Agreement and were therefore in breach of those agreements or, at the very least failed to meet the standards of acceptable commercial behaviour. [The Opponent] brings its opposition under s 58 with unclean hands. Its ownership claim only arises because of its impropriety. The ground should be refused. I am not persuaded by Ms Ryan's submissions on this point. As I have found, above, the 11 August – 2 September 2014 use occurred after the licensing agreements between the Applicant and the Opponent had ceased, and the 2014 Purchase Agreement assigned a number of rights to the Opponent but did not assign rights, if any, in Australia. It was stated by Fullagar J in *Aston v Harlee Manufacturing Company* that: [I]t would appear that an applicant may be the 'author' of a trade mark, although he has deliberately copied or adopted a mark registered in a foreign country in respect of the same descriptions of goods. In *Re The Registered Trade Mark "Yanx"*; *Ex parte Amalgamated Tobacco Corporation Ltd* ... Williams J said: To try and register in Australia a word which the applicant to the knowledge of the respondent is using elsewhere on its cigarettes is sharp business practice. But it is not in itself fraudulent or a breach of the law.^{11 12} The established use of the trade mark by the Opponent from before the priority date was in circumstances where it believed that it was the previous user of the trade mark. I am not satisfied that the use by the Opponent is other than in good faith. I am satisfied the Opponent has established this ground of opposition in respect of the Section 58 Goods. Where an opponent has established a ground of opposition in respect of a subset of the claimed specification it is open to the Registrar to offer to an applicant an amendment of their specification to exclude the goods/services for which the opposition was established. It is apparent from the evidence before me that—notwithstanding the broad claim contained within the Applicant 's Goods—the Applicant 's specific goods of interest in connection with the Trade Mark are essentially the same as those of the Opponent. An amendment to the Applicant 's Goods which would exclude the Section 58 Goods is likely therefore to constitute a 'Pyrrhic victory'. Further, given that the parties claim use 2018_10808.jpg 11 [1951] HCA 28; (1951) 82 CLR 199, 202. 12 [1960] HCA 47; (1960) 103 CLR 391, [20]. of an identical trade mark and their goods of interest fall under the category of 'swimming equipment' were the Applicant to use the Trade Mark in respect of other swimming equipment this is likely to cause confusion to relevant consumers of swimming equipment. For these reasons, it is not appropriate in the circumstances of this matter that the Applicant 's Goods be amended in the manner discussed. Decision Section 55 of the Act relevantly provides: 55 Decision (1) Unless subsection (3) applies to the proceedings, the Registrar must, at the end, decide: (a) to refuse to register the trade mark; or (b) to register the trade mark (with or without

conditions or limitations) in respect of the goods and/or services then specified in the application; having regard to the extent (if any) to which any ground on which the application was opposed has been established. Note: For limitations see section 6. I have found the Opponent has established the ground of opposition it raised pursuant to s 58 of the Act. As the Delegate of the Registrar I accordingly refuse to register the Trade Mark. Costs The Opponent has sought an award of costs in its favour. I see no reason to depart from the general rule that costs follow the event. As the Opponent has established a ground of opposition, I award costs against the **Applicant** under s 221 of the Act in line with the amounts in Schedule 8 of the Trade Mark Regulations 1995. Robert Wilson Hearing Officer Hearings and Oppositions 5 July 2018

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