[HIGH COURT OF AUSTRALIA.]

THE KING (ON THE PROSECUTION OF WATERS) . PLAINTIFF;

AND

THE REGISTRAR OF TRADE MARKS . DEFENDANT.

H. C. OF A. 1908.

MELBOURNE, *March* 25, 26, 27.

Griffith C.J., O'Connor, Isaacs and Higgins JJ.

Trade Marks Act 1905 (*No.* 20 *of* 1905), *secs.* 33, 37, 41, 46, 94, 105—*Trade Marks Regulations* 1906, *regs.* 27, 28—*Application for registration—Notice by Registrar—Failure of applicant to reply—Abandonment of application—Validity of regulation—Extension of time for reply—Power of Registrar.*

Regulation 28 of the *Trade Marks Regulations* 1906, in so far as it provides for an application being deemed to be abandoned in a certain event, is a lawful exercise of the power conferred by sec. 94 of the *Trade Marks Act* 1905, and is not inconsistent with sec. 37.

So held by the Court, *Higgins* J. doubting.

If the Registrar is satisfied that the failure of an applicant to answer the notice referred to in regulations 27 and 28 arises from circumstances for which the applicant should be excused, he may under sec. 105 of the Act extend the time for so answering, and, in considering whether he should or should not extend the time, the Registrar is bound to exercise his discretion.

ORDER *nisi* for mandamus.

On 12th December 1907, upon the application of Edward Needham Waters, an order *nisi* was granted by *Higgins* J. calling upon the Registrar of Trade Marks to proceed with application No. 3036 for registration of a trade mark, or, alternatively, to give notice under or in pursuance of sec. 37 of the *Trade Marks Act* 1905 in respect of the said application, or show cause why such other order with regard to the said application be not made as to the Full Court should seem fit.

From the affidavits it appeared that on 20th November 1906 one Downman Miles, agent for Fromy Rogee & Co., brandy

growers, of St. Jean d'Angely, Cognac, France, applied on behalf of that firm for the registration of a certain trade mark, and gave as his address for service, 369 Collins St., Melbourne.

On 30th July 1907 the Registrar of Trade Marks wrote a letter to Downward Miles stating that the examiner had made a certain report, and that he (the Registrar) might have to refuse the application on the grounds forming the subject of the examiner's report. The letter then continued :—" 3. Before taking such definite action, adverse to the applicant firm, I am prepared to hear you upon the matter. 4. Notification of your intention to be heard must be lodged at this office, on Form E, within 30 days from date of this letter." This letter was addressed to " Downman Miles Esq., 369 Collins St., Melbourne," and was posted.

The letter, however, was not delivered, but was returned through the dead-letter office to the Registrar.

On 4th October 1907 a notification appeared in the Australian Official Journal of Trade Marks that the application No. 3036 had been abandoned.

On 17th October 1907 a letter was sent to the Registrar written on behalf of Downman Miles & Co., which was as follows :—

" Immediately after our return to Melbourne from Europe we called at the Trades Marks Office to inquire whether the registration of the above mark had been completed, to hear to our surprise that the application had been advertised abandoned.

" Whilst thanking you for your explanation of the circumstances which lead to this, we cannot, however, accept the responsibility for the irregularity which has unfortunately transpired for the reason that the Act specifically stipulates that the applicant must furnish you with an address. This we obviously did, but we have not received any communications whatsoever from you on the subject, therefore our view is that having carried out our contract the matter should proceed.

" For your guidance we may mention that 369 Collins street has been our address since July 1906, and we constantly received letters addressed to Mr. Downman Miles, in substantiation of which we enclose a communication so addressed posted in Portsmouth on September 13th and received here by last mail.

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"The serious error of the postal authorities cannot surely be advanced as a plea for disposal of this important application.

"We quite understand that we can make a fresh application, which would not only be an injustice, but is most unsatisfactory to us, and we contend that we have not done anything to necessitate this, and as we have faultlessly observed the regulations we now apply to have the original application reinstated."

The Registrar, however, decided that he was bound by regulation 28 of the *Trade Marks Regulations* 1906 to hold that the application had been abandoned.

Schutt, for the prosecutor. The notice which was sent by the Registrar was never received by the applicant within the meaning of regulation 28, and therefore there was no default and no abandonment within that regulation. Although the notice may have been properly given or served under secs. 106 and 107 of the *Trade Marks Act* 1905, regulation 28 contemplates an actual receipt by the applicant. The Registrar should therefore have proceeded with the application and then should either have accepted or refused it. See sec. 33 (3). The provision in regulation 28 as to abandonment is *ultra vires*. It is not authorized by sec. 94 of the Act, and is inconsistent with sec. 37, under which abandonment cannot be assumed to have taken place until twelve months after the application.

[He referred to *Jackson & Co.* v. *Napper*; *In re Schmidt's Trade Mark* (1); *Kerly on Trade Marks*, 2nd ed., p. 76; *Sebastian on Trade Marks*, 4th ed., p. 330.]

McArthur, for the defendant. Regulation 28 is not *ultra vires*. It is a provision which is necessary and convenient for giving effect to the Act within the meaning of sec. 94. Sec. 37 does not apply to a case of this kind. It contemplates that everything has been done which is necessary for registration except some act on the part of the applicant, for doing which fourteen days will be ample time, and which having been done registration will follow as a matter of course. Sec. 41 is another case in which abandonment is to be presumed.

(1) 35 Ch. D., 162.

[HIGGINS J. referred to *James* v. *Stevenson* (1) as showing that abandonment is a question of intention.

GRIFFITH C.J.—Under sec. 105 the Registrar can extend the time for replying to the notice.]

Schutt in reply.

Cur. adv. vult.

March 27.

GRIFFITH C.J. This is a rule *nisi* for a mandamus to the Registrar of Trade Marks to command him to proceed with application No. 3036 for the registration of a trade mark, or, alternatively, to give notice under sec. 37 of the *Trade Marks Act* 1905 in respect of that application. An application was made for the registration of the trade mark. The Registrar applied to the applicant for certain information, but did not get it, and after the lapse of fourteen days he treated the application as abandoned. Then, nearly a year after the application was made, the Registrar was asked to proceed upon it, but he regarded himself as precluded by the regulations from doing so.

The *Trade Marks Act* 1905 makes general provisions as to the mode of dealing with applications for trade marks. By sec. 33 (3) it is provided that:—"Subject to this Act the Registrar may either accept the application, with or without modifications or conditions, or refuse it." I take that to mean that he must do one or other of the two things, and may do either. An appeal lies from the Registrar to the law officer and to the Court. Sec. 37 provides that:—"If, by reason of default on the part of the applicant, the registration of a trade mark has not been completed within twelve months from the date of the lodging of the application, the Registrar shall give notice of the non-completion to the applicant, and if, at the expiration of fourteen days from that notice or such further time as the Registrar in special cases permits, the registration is not completed, the application shall be deemed to be abandoned." If the application is accepted it is required to be advertised for three months, during which time notice of opposition may be lodged, and, if there is opposition, further steps may be taken, so that the whole process of obtaining

(1) (1893) A.C., 162.

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the registration of a trade mark must occupy a period more than three months after acceptance of the application.

Sec. 94 authorizes the Governor-General to make regulations prescribing all matters "which are necessary or convenient to be prescribed for giving effect to this Act or for the conduct of any business relating to the Trade Marks Office."

Now, it is an incident of every application for the grant of a privilege, just as it is of the prosecution of every enterprise, that the person making the application or prosecuting the enterprise may abandon it if he does not think it worth his while to go on. In all Courts provision is made for bringing proceedings to an end if the plaintiff or petitioner does not prosecute them with diligence. In the case of an office like the Trade Marks Office or the Patents Office, where a great deal of business is transacted, it is certainly at least convenient that there should be some provision whereby it may be known whether applicants intend to go on with their applications, so that the office may not be encumbered by an accumulation of applications with which there is no intention to proceed.

In professed exercise of the powers conferred by sec. 94, regulations were made on 28th December 1906, of which I will read regulations 27, 28, and 29:—

"27. If the Registrar is of opinion that the trade mark is not in compliance with the Act or that some bar to its registration exists he shall give notice thereof to the applicant. The notice shall state the grounds of the Registrar's opinion and shall inform the applicant that he is entitled to be heard personally or by his agent before the Registrar deals with the application.

"28. Within fourteen days from the receipt of the notice or such further time as is fixed by the notice, the applicant shall notify to the Registrar whether or not he desires to be heard upon the matter, and in default of his doing so the application shall be deemed to be abandoned.

"29. If the applicant notifies the Registrar that he desires to be heard the Registrar shall fix a time for the hearing, and shall give to the applicant not less than ten days' notice of the time so fixed, and if the applicant fails to appear personally, or by his

agent, at the time fixed for the hearing, the application shall be deemed to be abandoned."

These regulations on their face are in accordance with the usual method of regulating proceedings to be taken before a tribunal or person entrusted with discretionary powers, viz., that, if the person invoking action fails, when called upon, to take some necessary steps within a reasonable time, his case shall be treated as at an end.

It is contended that these regulations are *ultra vires*. I confess I have some difficulty in following the argument. The main point urged is that they are inconsistent with sec. 37, which I have already read. But the fact that an application is to be deemed to be abandoned at the end of twelve months does not prevent the applicant from abandoning it sooner. Moreover, sec. 37 appears to me to have been enacted *alio intuitu*. I doubt whether it applies at all to such a default as that in the present case. It seems to contemplate that the default is such that it is still possible for the registration to be completed within 14 days, which is impossible if the application is not yet accepted. Nor is there any inconsistency. Sec. 37 does not contain negative words. It provides for a particular contingency. I can see no inconsistency between that section and the regulations I have read. I think therefore that the regulations are *intra vires*.

What actually happened was this. The Registrar gave notice to the applicant under regulation 27, informing him that he was entitled to be heard personally or by his agent. Owing to circumstances to which it is not necessary to refer in detail the applicant did not receive that notice, and consequently took no action, and at the expiration of the time mentioned the Registrar conceived that he was bound to act under regulation 28, and accordingly published in the Journal of Trade Marks a notice that the application had been abandoned. When this came to the knowledge of the applicant, he asked the Registrar, in substance, to revive the matter. The Registrar answered that there was no provision in the Act or regulations providing for such a contingency, that is, the non-receipt of the notice by the applicant, being taken into consideration in the case of an application abandoned under regulation 28. He thought that he had no power to

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reinstate the application. Apparently he lost sight of the provisions of sec. 105, which provides that:—"Where by this Act any time is specified within which any act or thing is to be done, the Registrar may, unless otherwise expressly provided, extend the time either before or after its expiration." It was therefore competent for the Registrar, if satisfied that the failure to answer the notice had arisen from circumstances for which the applicant might be excused, and which were such as to show that he had not really abandoned his application, to allow an extension of the time to answer the notice and then to proceed with the matter in the ordinary way. In my opinion the Registrar was bound to exercise his discretion as to granting such an extension. It is not necessary to express any opinion on the question whether he ought to have extended the time, since Mr. *McArthur* has stated on behalf of the Registrar that he will do so.

The order should be made absolute for a mandamus directing the Registrar to entertain and determine the application by the applicant that the application No. 3036 may be reinstated and proceeded with, and that for that purpose the time for answering the notice may be extended.

O'CONNOR J. The Registrar has declined to further entertain this application on the ground that the applicant is in default under regulation 28. That regulation provides that, if within fourteen days from the receipt of a notice under regulation 27, the applicant does not notify the Registrar whether he desires to be heard or not, the application shall be deemed to be abandoned. It is quite evident that in fact the applicant never received that notice under regulation 27. It is also clear that he never had any intention of abandoning his application. But the Registrar, thinking himself constrained to hold, as a matter of law, that under regulation 28 there had been a receipt of the notice under regulation 27 and an abandonment of the application under regulation 28, declined to entertain an application for any purpose whatsoever. On that refusal the applicant has come to this Court to obtain a mandamus commanding the Registrar to discharge whatever may be his legal duty as to the application.

The first question is whether regulation 28 is or is not *ultra*

vires. I have no doubt at all that it is within the powers conferred by the Act. Sec. 94 enables the Governor-General to make regulations not inconsistent with the Act in respect of all matters necessary or convenient to be prescribed for giving effect to the Act. Having regard to the nature of the work to be done under the Act, it is essential that the business of the Registrar's office should be carried out on some system, and that applications filed should be dealt with in accordance with some regular order of procedure. Above all things it is necessary that the administration of the office should not be choked by a number of pending applications in regard to which the Registrar is uncertain whether they are going on to completion or not. I agree with the learned Chief Justice that the right of making an application involves the right to abandon it, and it equally follows that abandonment may be evidenced in other ways than by a statement of the applicant himself. He may show by his conduct that he has abandoned his application, and a regulation, which enables the Department to ascertain whether a man has acted in such a way as to reasonably lead to the inference that he has abandoned his application, is certainly necessary and convenient for the administration of the Act.

But it is said that the regulation is *ultra vires* because it is inconsistent with the Act. The Act provides in three instances for abandonment on failure to comply with certain provisions. One of them is in sec. 37, to which I shall refer later. The others are in secs. 41 and 46. Sec. 41 (2) provides that, if the applicant fails to lodge a counter-statement to a statement made in opposition within a certain time, he shall be deemed to have abandoned his application. Sec. 46 provides that an order may be made in certain circumstances for security for costs by a person giving notice of opposition or appeal and that, if that order is not complied with, the opposition or appeal shall be deemed to be abandoned. It is said that the only circumstances in which abandonment can be inferred are those thus expressly mentioned in these sections and those set out in sec. 37. I am of opinion that that is not so. None of the sections referred to in any way hamper the Governor-General in making regulations for the convenient administration of the Act. There is nothing in secs. 41

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and 46 inconsistent with regulation 28. But it is said that that regulation is inconsistent with sec. 37. I take the object of that section to be the prevention of undue delay from any cause in the prosecution of an application. It is assumed in sec. 37 that, within twelve months from the date of the application, the registration of the trade mark ought to be completed, and the section empowers the Registrar at any time to give notice of non-completion, whether there has been failure to comply with any other provision of the Act or not. He is thus empowered to look into the position of every trade mark application which may not be completed within twelve months, and, if he finds that it has not been completed by reason of some default of the applicant, he may give the notice. That is quite a different thing from regulation 28, which is simply a provision of procedure. I am, therefore, of opinion that regulation 28, being merely a regulation of procedure in a matter which is necessary and convenient for carrying out the Act, is not inconsistent with any provision of the Act, and is *intra vires*.

The other question of law, that is to say, whether there has been a receipt of the notice, it is not necessary to consider, because I agree with the learned Chief Justice that the Registrar had power under sec. 105, if he had applied his mind to that particular view of the matter, to extend the time for making this application. In other words, the Registrar might have exercised his power of reviving the application. He evidently was of opinion that he had not the power, and I think the mandamus ought to go directing him to consider whether the application ought or ought not to be revived. I therefore think that the mandamus should go in the terms stated by the learned Chief Justice.

ISAACS J. read the following judgment. I agree with the order proposed by the learned Chief Justice. In my opinion, regulation 28 is within the powers conferred by sec. 94. Having regard to the vast territory operated upon by the Act, and the desirability of clearing the ground of futile applications so as to enable substantial applications to be promptly dealt with, I have no doubt that the regulation is one which, in the words

of sec. 94, is "necessary or convenient to be prescribed . . . . . for the conduct of any business relating to the Trade Marks Office." It takes away no right of the applicant, it does not prevent him being heard if he chooses; it merely operates so as to enable him to indicate by silence and without expense that he does not intend to persevere in an application, which the Registrar thinks should fail, for reasons furnished to the applicant. If, notwithstanding those reasons, he desires to proceed, he has only to say so; then by regulation 29 he is to be fully heard. His silence in the circumstances amounts to an intimation that he does not desire to proceed, in other words, that he desires to yield to the objections, and abandon his application. He cannot, therefore, as I conceive, be heard to complain if his application is thenceforth treated as abandoned. The Act expressly enacts that in some other circumstances an application is to be deemed abandoned, but that is quite consistent with an abandonment by the assent, express or implied, of the applicant himself. The regulation, therefore, is perfectly valid. Whether it was complied with here is a question of fact depending on the peculiar circumstances of this case, and in view of the order agreed to is a matter unnecessary now to determine.

HIGGINS J. read the following judgment. I concur with the order proposed to be made, on the assumption that regulation 28 is valid. The distance of the applicants from the registry, the absence from Australia of their agent, and the mistake of the postman in not leaving the Registrar's letters at the Melbourne address, are circumstances to which the Registrar may attach importance in exercising his discretion as to extending time under sec. 105 of the Act; and the Registrar has not yet exercised his discretion.

But it is my duty to say that I am by no means satisfied of the validity of Regulation 28. Briefly, I regard secs. 32-34 as giving each applicant a right to a decision from the Registrar—either acceptance (absolute or conditional), or refusal; and also a right of appeal to the law officer or the Court if there be a refusal or only a conditional acceptance. The regulation cannot take

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away these rights: the regulations must be "not inconsistent with the Act" (sec. 94). The Act itself, indeed, makes an exception to these rights in the case of twelve months elapsing before registration by reason of default of the applicant. After that period the Registrar can give notice to the applicant, and if within fourteen days (or some longer time) the registration is not completed, the "application shall be deemed to be abandoned." But under regulation 28 the Registrar may give a notice on the very day that the application is lodged; and unless the applicant notify to the Registrar within fourteen days from receipt of the notice that he desires to be heard, "the application shall be deemed to be abandoned." The regulation, in effect, makes sec. 37 superfluous; it strikes out the condition that twelve months must elapse before notice. I assume that an applicant may voluntarily abandon his application at any time; but the abandonment must be his abandonment, an abandonment in fact, an intentional abandonment—however evidenced, by words or by conduct—even by silence. "Abandonment" is a question of intention: see *James* v. *Stevenson* (1); and I cannot, I confess, see how the regulation making power can foist upon the applicant an intention which he never entertained, to declare an application abandoned which has not been abandoned in fact, and thereby enable the Registrar to avoid giving his decision, and to avoid an appeal. The fact that a regulation is "necessary or convenient to be prescribed" does not settle its validity. It may be convenient for the Registrar to get rid of an application on the expiration of fourteen days from the lodging of the application by sending a notice to the applicant, even if he is in France. But the Governor in Council has no right to make the applicant's silence for fourteen days conclusive evidence of abandonment. Whichever view of the regulation is correct, I am glad to see that the order proposed is likely to do substantial justice in this present case.

Order absolute for mandamus to the Registrar to determine an application by the prosecutor that application No. 3036 *may be reinstated and pro-*

(1) (1893) A.C., 162.

ceeded with, and that for that purpose the time for notifying to the Registrar his desire to be heard upon the matter of the Registrar's notice of 30th July 1907 may be extended.

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Solicitors, for the prosecutor, *Waters & Crespin.*

Solicitor, for defendant, *Charles Powers*, Commonwealth Crown Solicitor.

B. L.

Appl *Doyle (decd), Re; Ex parte Bnen v Doyle* (1993) 117 ALR 653

Appl *Davis v Turning Properties* (2005) 222 ALR 676

[HIGH COURT OF AUSTRALIA.]

THE AUSTRALIAN MUTUAL PROVIDENT SOCIETY AND OTHERS . . . DEFENDANTS, } APPELLANTS;

AND

ARTHUR JAMES GREGORY AND OTHERS . PLAINTIFFS AND DEFENDANTS, RESPONDENTS.

ON APPEAL FROM THE SUPREME COURT OF TASMANIA.

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HOBART, *Feb.* 19, 20, 21.

MELBOURNE, *March* 23.

Griffith C.J., Barton and Isaacs JJ.

Private international law—Distinction between immoveables and moveables—Incorporeal right with respect to immoveable—Interest in trust estate—Trust to sell—Insolvency—Notice to trustees—Effect of foreign insolvency—Subsequent assignment—Priorities—Bankruptcy Act 1870 (*Tas.*) (34 *Vict. No.* 32), *sec.* 16 —*Law No.* 47 *of* 1887 (*Natal*), *secs.* 51, 52, 53.

A right enforceable with respect to an immoveable is, for the purposes of private international law, an immoveable.

A person claiming in Tasmania under an assignment of an equitable chose in action executed by a bankrupt after sequestration, who took his assignment without notice of the bankruptcy and has given notice of his assignment to the trustee of the property to which the chose in action attached, is entitled to priority over the trustee in bankruptcy who has not given notice.