

Trade mark registration stacks up for JB Hi-Fi

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JB Hi-Fi has won its battle to retain its Australian trade mark registration for STACK, its popular entertainment news brand, successfully challenging the Trade Mark Registrar's proposed revocation.

The trade mark STACK is used for JB Hi-Fi's magazine and website, providing news and reviews for games, movies, tv and music¹. The retailer acquired the unregistered mark STACK and related assets from Scribal Custom Pty Ltd (Scribal) in October 2017 and then filed an application for registration of the STACK mark. It was accepted and registered unopposed in June 2018.

However, in October 2018 the Deputy Registrar of Trade Marks notified JB Hi-Fi of its intention to revoke the registration under section 84A of the *Trade Marks Act* 1995 (the Act) on the basis of a prior registration for the mark Stacks owned by Timauray Pty Limited (the Earlier Mark). This registration claimed overlapping services in classes 35 and 41 and services closely related to JB Hi-Fi's goods in class 9. The Registrar's view was that this prior mark should have been cited during examination.

JB Hi-Fi challenged the proposed revocation at a Hearing². The ruling on 31 July 2019, is only the fourth decision on revocation of registration since s.84A was introduced by the *Intellectual Property Laws Amendment Act* 2006. The section allows the Registrar to revoke a registration if he or she is satisfied that:

(a) the trade mark should not have been registered, taking account of all the circumstances that existed when the trade mark became registered (whether or not the Registrar knew then of their existence); and

(b) it is reasonable to revoke the registration, taking account of all the circumstances.

The section provides a non-exhaustive list of factors to be taken into account under subsection 1(a) including

(a) any errors (including errors of judgment) or omissions that led directly or indirectly to the registration; ...

...(c) any special circumstances making it appropriate:

(i) not to register the trade mark; or

(ii) to register the trade mark only if the registration were subject to conditions or limitations to which the registration was not actually subject.

It similarly lists the factors to be taken into account in the exercise of ss.1(b).

¹ see: <https://stack.com.au/>

² JB Hi-Fi Limited [2019] ATMO 115 (31 July 2019)

In determining that the STACK trade mark should not have been registered under the first limb s.84A(1), the Hearing Officer considered whether there had been an error or omission. He reviewed the Office file including the examiner's notes to see whether the Earlier Mark had been identified during examination.

The Hearing Officer at paragraph 21 stated: *"In the interests of transparency, my inspection of the materials on file reveals that the Earlier Mark would likely have been viewed based on the searches conducted. However, the Earlier Mark was inexplicably omitted from the search results extract list and it was not mentioned on the examiner's worksheet. As such, it is impossible to draw any firm conclusions as to whether the Earlier Mark was duly considered by the examiner. It appears likely that the present circumstances fall directly within the first example of administrative oversight envisaged by the Explanatory Memorandum... Accordingly, the current matter is distinguishable from a mere change of opinion as to the registrability of the trade mark."*

In light of the error, the Hearing Officer was required to make a de novo decision as to whether the mark should have been accepted for registration. In his view the marks were deceptively similar, and covered overlapping services and closely related goods giving rise to a prima facie ground for objection under s.44.

Consideration was then given to whether the STACK mark should have been accepted for registration on the basis of honest, concurrent use under s.44(3)(a). Whilst the Registrar was able to take account of JB Hi-Fi's honest, concurrent use, he did not consider it sufficient to support acceptance.

This left the Hearing Officer weighing up whether it was reasonable in all the circumstances to revoke the registration under s.84A(1)(b) taking into account the non-exhaustive list of circumstances including:

(a) any use that has been made of the trade mark; ...

...(d) any special circumstances making it appropriate:

(i) to revoke the registration; or

(ii) not to revoke the registration.

Weighing against revocation was a number of factors - including that JB Hi-Fi had acted prudently in dealing with the trade mark since acquiring it, only substantially investing in the mark post-registration. Also relevant was that JB Hi-Fi had waived certain contractual rights against Scribal on the basis the registration was valid.

Additional factors weighing against revocation were:

- JB Hi-Fi's substantial financial investment in the mark and its concrete plans for its intermediate to long term use;
- the use of the STACK mark for 14 years prior to notification of the intention to revoke it;

- JB-Hi-Fi's intention to and expansion of the goods and services offered after its acquisition of the mark;
- the increased promotion of the mark; and
- the failure of the Earlier Mark owner to object to the use or registration of the STACK mark.

In handing down his decision, the Hearing Officer noted *"It has been recognised that the terms of s 84A provide the Registrar with a broad scope to exercise her discretion. A prevailing theme which emerges from the published decisions, the intent of the Act and Explanatory Memorandum concerning s 84A is that the Registrar must exercise great caution when considering revocation. A registered trade mark is a valuable intellectual property right and depriving a registered owner of this right must be reasonable given all the circumstances. Considering all of the circumstances, I am satisfied that it would be unreasonable to revoke the registration given the Registrant's substantial investment in and widespread use of the Trade Mark to date."*

To date only one registration has been revoked under s.84A. This provides trade mark owners with some comfort that the power to revoke will not be exercised lightly.

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