

RETHINKING THE PRESUMPTION OF REGISTRABILITY IN TRADE MARK LAW

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I INTRODUCTION

The *Trade Marks Act 1995* (Cth) ('TMA') brought with it a number of important innovations. One such innovation was the introduction of a 'presumption of registrability'. Quite what the presumption of registrability was intended to achieve and how it was intended to operate are two of the principal questions that this article seeks to explore. For now it is enough to note that the presumption was intended to make the registration of marks more straightforward. IP Australia is strongly supportive of the presumption, emphasising its importance in official publications including in the *Trade Marks Office Manual of Practice & Procedure*.¹ Indeed, concern that the presumption might not apply to the distinctiveness ground of refusal contained in s 41 of the TMA led IP Australia to champion the redrafting of that section as part of the suite of reforms contained in the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth).² There also seems to be general support for the operation of the presumption amongst trade mark professionals, the understanding being that it has helped resolve a number of difficulties that applicants sometimes encountered under the previous law.

Despite the importance of the presumption to those operating the trade mark system and despite the apparent support it enjoys amongst trade mark practitioners, the nature and operation of the presumption have received little sustained attention from academics.³ In many respects this lack of scholarly attention is unsurprising — at first glance the presumption of registrability appears to be a device that, whilst no doubt important to the practical operation of the trade mark system, is not the locus of any controversial issue of principle or of any particular difficulty of statutory construction or judicial interpretation. In this article, however, we want to suggest that there are a number of aspects of the presumption that warrant

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1 IP Australia, *Trade Marks Office Manual of Practice & Procedure*, <http://www.ipaustralia.gov.au/pdfs/trademarkmanual/trade_marks_examiners_manual.htm> ('*Trade Marks Manual*'). See especially pts 20.4, 22.3.2 and 26.2, but see also the more equivocal pt 18.1.1.

2 See *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) sch 6 item 113, which commences on 15 April 2013; see also Explanatory Memorandum, Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 (Cth) 145, where it is noted that item 113 'amends the *Trade Marks Act* to clarify that the presumption of registrability applies to section 41'.

3 Although the existence of the presumption is frequently referred to in the academic literature, there do not appear to be any previous articles that have been devoted exclusively, or even primarily, to its operation.

further attention. More specifically, we argue that the historical materials that are available suggest that significant uncertainty surrounds the question of what the presumption was intended to achieve. We also argue that the legislative basis of the presumption is much less secure than is generally assumed. Having questioned the foundations of the presumption, we turn to suggest that it has the capacity to obscure important issues relating to the standard of proof both at the examination stage and during opposition proceedings. From this analysis we conclude that the operation of the presumption needs to be rethought. In the final section of the paper we therefore turn to sketch out what a more satisfactory presumption of registrability might look like.

II THE INTRODUCTION OF THE PRESUMPTION

In order to understand what prompted the introduction of the presumption of registrability in the *TMA*, it is first necessary to highlight a number of interrelated features of the former law.

One key feature of the former law was that the applicant for registration bore the onus of satisfying the Trade Marks Registry that its mark should be accepted for registration following examination, or that it should be registered following opposition proceedings. This requirement can be traced back to the House of Lords' decision in *Eno v Dunn*,⁴ which involved an opposition to registration on the basis that the applicant's mark was calculated to deceive due to its similarity with the opponent's unregistered mark. In finding for the opponent Lord Watson held that it was for the applicant to 'justify the registration of his trade-mark by shewing affirmatively that it is not calculated to deceive' and that 'in dubio, his application ought to be disallowed'.⁵ This statement was subsequently applied in High Court cases under the *Trade Marks Act 1905* (Cth) and *Trade Marks Act 1955* (Cth) also involving appeals from oppositions that turned on the 'likely to deceive' ground of rejection — in each case the Court was required to consider whether the applicant for registration had done enough to show that, despite the opponent's evidence, no reasonable likelihood of deception existed.⁶ It was also held in a number of cases involving appeals by applicants against an examiner's

4 (1890) 15 App Cas 252.

5 Ibid 257. See also Lord Herschell at 261 ('I cannot avoid the conclusion that ... the proposed use of [the applicant's mark] would be calculated to deceive. But I do not think it is necessary to go so far as this. I think it is enough to say that I am not satisfied that there would be no reasonable danger of the public being so deceived').

6 Under the 1905 Act see, eg, *Robert Harper & Co Pty Ltd v A Boake Roberts & Co Ltd* (1914) 17 CLR 514, 520 (Griffith CJ), 520–1 (Isaacs J); *A & F Pears Ltd v Pearson Soap Co Ltd* (1925) 37 CLR 340, 342 (Knox CJ and Starke J), 346–8 (Isaacs J), 349 (Higgins J), 350–1 (Rich J); *Jafferjee v Scarlett* (1937) 57 CLR 115, 119, 123 (Latham CJ), 124 (Dixon J); *Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84, 90 (Latham CJ), 92 (Rich J), 94 (Dixon J), 99 (Williams J); *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592, 594 (Kitto J). Under the 1955 Act see, eg, *Kimberley-Clark Corporation v Vereinigte Papierwerke Schickedanz & Co* (1967) 118 CLR 79, 87 (Windeyer J). The same approach was also taken in appeals from opposition decisions where the question was whether two marks were deceptively similar: see, eg, *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536, 538 (Dixon, Williams and Kitto JJ).

decision to reject on the grounds of lack of distinctiveness that the applicant bore the onus of proof.⁷ Thus by the early 1980s it could be said with confidence that under Australian law the onus was on the applicant at both the examination and opposition stages of registration.⁸

A second relevant feature of the former law was that the grounds on which an application for registration could be rejected or opposed were not clearly articulated, and did not take a consistent form. On the issue of form, most of the grounds were expressed in negative terms. For example, s 28 of the 1955 Act provided that certain marks, such as those the use of which were likely to deceive or cause confusion or be contrary to law, ‘shall not be registered’, and s 33 provided that a mark that was deceptively similar to an earlier mark or application for registration in relation to similar goods or services was ‘not capable of registration’. In these cases, it ultimately fell to the applicant to establish a negative state of affairs (that is, that the use of its mark was not likely to deceive or cause confusion, or that its mark was not deceptively similar to the earlier mark). However, the distinctiveness grounds in ss 24 and 25 set out positive requirements for registration. For example, s 24 provided, and the onus fell on the applicant to show, that a mark was ‘registrable’ in Part A of the Register if it were of a particular kind (eg, an ‘invented word’, a ‘word not having a direct reference to the character or quality’ of the specified goods or services, a ‘distinctive’ mark, etc) or, if not, if it were distinctive in fact and, following a judicial gloss on the legislation, it had some degree of inherent adaptation to distinguish, a requirement known as ‘distinctiveness in law’.⁹ Establishing both distinctiveness in fact and law frequently proved challenging for applicants.¹⁰ On the issue of the lack of clearly articulated grounds of rejection, the 1955 Act

7 Under the 1905 Act see, eg, *Eclipse Sleep Products Inc v Registrar of Trade Marks* (1957) 99 CLR 300, 314 (Dixon CJ, Williams and Kitto JJ). Under the 1955 Act see, eg, *Advanced Hair Studio of America Pty Ltd v Registrar of Trade Marks* (1988) 10 IPR 583, 587 (King J); *Chancellor, Masters and Scholars of the University of Oxford v Registrar of Trade Marks* (1990) 24 FCR 1, 4, 7, 9 (Lockhart J), 21, 25 (Gummow J).

8 See D R Shanahan, *Australian Trade Mark Law and Practice* (Law Book Co, 1st ed, 1982) 67, 140 and the cases cited therein. However, in the second edition of Shanahan’s text *Arthur Fairest Ltd’s Application* (1951) 68 RPC 197, 207 was cited as authority for the proposition that if an opponent sought to argue that the use of the applicant’s mark would be likely to cause confusion because of the reputation of the opponent’s mark, the opponent bore the initial onus of establishing that reputation, and only once that was discharged did the burden to justify registration shift to the applicant: D R Shanahan, *Australian Law of Trade Marks and Passing Off* (Law Book Co, 2nd ed, 1990) 169 (‘Shanahan, 2nd ed’). This view was later applied by the Federal Court: see *Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd* (1997) 38 IPR 495, 501 (Heerey J), cited without disapproval on appeal in *Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd* (1998) 90 FCR 453, 455 (Wilcox J); *Kellogg Co v PB Foods Ltd* (2000) AIPC 91-533 (Lindgren J). See also *Companhia Souza Cruz Industria E Comercio v Rothmans of Pall Mall (Australia) Ltd* (1998) 41 IPR 497, 500–1 (Wilcox J) (‘[w]here a ground of opposition depends on some fact being established, the onus of proof of that fact rests on the party seeking to establish the ground of opposition; nonetheless, an overall onus rests upon the applicant to satisfy the court ... that the mark should be registered’). Cf *Johnson & Johnson v Kalnin* (1993) 26 IPR 435, 439 (Gummow J); *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 120 ALR 495, 500, 504 (Gummow J) (emphasising that the onus was at all times on the applicant for registration). Issues of onus of proof at the opposition stage have remained controversial under the *TMA*: see further Part IV below.

9 *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511; *Chancellor, Masters and Scholars of the University of Oxford v Registrar of Trade Marks* (1990) 24 FCR 1.

10 Shanahan, 2nd ed, above n 8, 130, 134–5.

required an examiner to ascertain and report on whether the applied-for mark was ‘capable of registration’¹¹ but without clearly indicating the grounds that had to be considered. As a matter of practice, examiners did not consider all potentially applicable grounds, and they limited the searches they conducted in relation to the grounds they did consider.¹² Nevertheless, there remained some uncertainty as to how far examiners could and would go in determining whether a mark was capable of registration and, correspondingly, how much an applicant would need to do to overcome an examiner’s objection.

A third feature of the former law, related to the final point above, concerned the Registrar’s overarching discretion in dealing with applications for registration. In *Eno v Dunn*, Lord Herschell held that even if the applicant’s mark did not fall foul of any of the specific grounds of rejection, the registry retained discretion as to whether or not to register the mark.¹³ Under subsequent UK legislation and the *Trade Marks Act 1905* (Cth), it was clear that the registry had an overarching discretion to refuse an application both at the examination stage and following opposition proceedings. However, this position changed under the 1955 Act. While the Registrar’s discretion was maintained at the opposition stage,¹⁴ s 44(1) of that Act provided:

If the Registrar is satisfied that there is no lawful ground of objection to an application ... the Registrar shall accept the application without conditions or limitations or subject to such conditions or limitations as he thinks fit; if he is not so satisfied, he may refuse to accept the application.

Surprisingly, however, given the mandatory language of ‘shall accept’, there still appeared to be some uncertainty as late as the 1990s as to whether the Registrar in fact retained the ability to refuse acceptance even if satisfied that no lawful ground of objection existed.¹⁵

It is in the context of the above features of the law as it existed in Australia in the early 1990s that a Working Party comprised of representatives of the Trade Marks Office, the Law Council of Australia and the Institute of Patent and Trade Mark Attorneys reported to the Government, recommending a number of legislative reforms. One such recommendation was that, ‘[t]he legislation should be expressed in terms which make it clear that there is to be a presumption of registrability when examining an application for registration’.¹⁶

11 *Trade Marks Act 1955* (Cth) s 41(b).

12 Shanahan, 2nd ed, above n 8, 58–9 (noting in particular that examiners would ‘refer to dictionaries, directories and gazetteers in determining whether a mark was descriptive or was a surname or had geographical significance’ in assessing distinctiveness).

13 (1890) 15 App Cas 252, 261–2 (also considering that it was ‘a reasonable exercise of [this discretion] to refuse registration when it [was] not clear that deception might not result from it’). See also at 256 (Lord Watson).

14 *Trade Marks Act 1955* (Cth) s 50(1).

15 See Shanahan, 2nd ed, above n 8, 78–81 and the cases cited therein.

16 Working Party to Review the Trade Marks Legislation, *Recommended Changes to the Australian Trade Marks Legislation* (AGPS, 1992) 42, Recommendation 4A (‘Working Party Report’).

On one reading, this could be taken to be a recommendation to ensure the applicant no longer bore the onus of satisfying the Registrar *during the examination process* that its mark should be accepted, and that in a doubtful case the Registrar had to accept the application. As we will see in Part III, this is the interpretation that has been placed on the recommendation by the Federal Court. It is notable, however, that the Working Party also recommended retaining the rule in *Eno v Dunn* as regards opposition proceedings,¹⁷ something that has not been reflected in the subsequent case law.¹⁸ This provides an indication that the Working Party's recommendations were not unidirectional or straightforward and that to understand what, exactly, the presumption of registrability was designed to achieve requires a careful examination of the Working Party's thinking.

The principal recommendation was made at the end of section 1.3.1 of the Report, headed 'Presumption of registrability', which started as follows:

The requirements of registrability are currently expressed as positive attributes that a mark must possess in order to qualify for registration. The courts have confirmed that under this system, the onus is on the applicant to show that its mark should be registered. More recently, opinion has indicated that the present regime is too strict and prevents registration of some marks that are demonstrably capable of distinguishing their owners' goods or services.

The *EC Directive*, the *Harmonization Draft Treaty* and the *TRIPS Agreement* adopt the opposite approach by setting out the grounds for refusal, thus creating the presumption that a mark ought to be registered unless there is some specific objection to it. NZ and the UK are also planning to follow that course in their new legislation.¹⁹

In the remainder of section 1.3.1 the Working Party noted problems with the 'distinctiveness in law' requirement and recommended its abolition.²⁰ In section 1.3.2, headed 'Test for registrability', the Working Party started by suggesting that:

To determine what will constitute a registrable mark, the legislation should set out in specific terms all grounds for refusal ... thus creating the presumption that a mark ought to be registered unless there is some specific objection to it.²¹

17 Ibid 48, Recommendation 8C: '[i]n opposition proceedings the onus should continue to be generally on the applicant to justify registration and if the matter is left in doubt, it should be resolved against the applicant'.

18 See below Part III, where we discuss this aspect of the *Food Channel* litigation.

19 *Working Party Report*, above n 16, 41. In referring to the *TRIPS Agreement*, the Working Party was perhaps referring to the 'Chairman's Draft' of the *TRIPS Agreement*, section 2.1A.2 of which set out a number of grounds of refusal: see *Status of Work in the Negotiating Group*, GATT Doc MTN.GNG/NG11/W/76 (23 July 1990) (Chairman's Report to the GNG). The 'Chairman's Draft' was, however, superseded by later drafts in 1990 and 1991 which, like the final version of the *TRIPS Agreement*, did not set out any grounds of refusal.

20 *Working Party Report*, above n 16, 41–2 and Recommendation 4B.

21 Ibid 42.

The remainder of this section dealt exclusively, however, with defining when a mark would be ‘capable of distinguishing’, again with a focus on removing the requirement of ‘distinctiveness in law’.²² In section 1.3.3, titled ‘Grounds for refusal’, the Working Party considered that defining clearly the grounds on which an application could be denied registration (here not differentiating between the examination and opposition stages) would help achieve the aim of making it ‘procedurally straightforward to obtain registration of a trade mark’ and ‘also provide a measure of additional certainty for applicants by removing any doubt as to a possibly adverse exercise of discretion by the Registrar’.²³ It thus recommended the adoption of specific, exhaustive grounds of rejection to be applied at the examination and opposition stages.²⁴

Drawing together these sections of the Report, and keeping in mind the state of the law outlined earlier, a more complex picture of the Working Party’s thinking emerges. For a start, in sections 1.3.1 and 1.3.2 the Working Party conceived of ‘registrability’ *solely* by reference to the issue of distinctiveness. It is thus strongly arguable that the ‘presumption of registrability’ was recommended primarily to deal with problems arising out of the functioning of the distinctiveness test. As for what these problems were, the Working Party seemed most concerned with the fact that distinctiveness was assessed by reference to ‘positive attributes’ that a mark had to possess to be ‘registrable’²⁵ (as outlined above, such attributes were, for example, that the mark had to be of a certain kind, or be distinctive both in fact and law). For this reason it recommended turning the test into a negative enquiry, such that only a sign that was not ‘capable of distinguishing’, in the sense of being neither inherently distinctive, broadly defined, nor factually distinctive or capable of becoming so, should be refused registration. This recommendation, which was intended to formally align the new distinctiveness ground of refusal with the other negative grounds (such as those dealing with conflicts with other signs), in turn helps to shed light on what the Working Party arguably meant by a having a ‘presumption of registrability’ in the legislation.

Crucially, in the extracts of both sections 1.3.1 and 1.3.2 quoted above, the Working Party stated that ‘setting out the grounds for refusal’ in specific terms would be *the very thing that would give rise to the presumption*.²⁶ On this basis, its recommendation that a presumption of registrability should exist at the examination stage collapses entirely into its recommendation that the legislation should set out specific, negative grounds of refusal: implementing the latter recommendation would wholly satisfy the former. Even more importantly, a ‘presumption’ conceived of in this way plays a purely formal role: it tells us only that an application is to be accepted for registration unless a ground of refusal exists. But it tells us nothing about how the examiner should go about determining whether such a ground exists

22 Ibid 42–3 and Recommendation 5.

23 Ibid 44.

24 Ibid 44, 47, Recommendations 6A and 8A.

25 The Working Party’s reference to the ‘requirements for registrability’ as being ‘expressed as positive attributes that a mark must possess’ (ibid 41) makes sense only in relation to the distinctiveness provisions in ss 24 and 25 of the *Trade Marks Act 1955* (Cth).

26 *Working Party Report*, above n 16, 41, 42.

and what he or she should do in difficult cases — more particularly, having a list of negative grounds of refusal says nothing about whether an applicant should be treated with any particular favour once an examiner has concerns about whether a ground exists.²⁷ To the extent that the Working Party considered how setting out grounds of refusal might practically assist applicants, this is more clearly expressed in section 1.3.3. The Working Party's suggestions that clearly defined grounds would ensure that it would be 'procedurally straightforward' to obtain registration and would remove the possibility of discretion being adversely exercised against an applicant seem to be direct responses to the problems, identified earlier, caused by the lack of clearly articulated grounds of rejection and by uncertainty over whether the Registrar maintained an overarching discretion at the examination stage under the 1955 Act.

A limited reading of the Working Party's 'presumption' recommendation also helps make sense of its reference in section 1.3.1 to the *European Trade Marks Directive*.²⁸ This Directive specifies an exhaustive list of negative grounds of refusal, but is silent on questions such as what an examiner is expected to do in doubtful cases.²⁹ Subsequent developments in the UK, which in implementing the Directive into its domestic law adopted a finite list of negative grounds of refusal, demonstrate that it has been possible to implement the Directive in a manner that affords no particular presumption in favour of accepting applications for registration, or resolving doubt in favour of applicants, at the examination stage.³⁰

The above analysis reveals that the reasons for the introduction of a 'presumption of registrability' in Australia, and what exactly it was intended to do, are subject to varying interpretations. It is strongly arguable that the presumption was only ever intended to arise as the function of adopting a set number of grounds as the only basis on which an application could be rejected, although admittedly elements of the Working Party Report also suggest that it might have had a greater role to play. As we will see, the way in which the Working Party's recommendations were implemented, or are said to be reflected, in the *TMA* has generated further uncertainty.

III THE LEGISLATIVE BASIS OF THE PRESUMPTION

In the Second Reading Speeches for the Trade Marks Bill 1995 (Cth) in both the House of Representatives and the Senate the relevant Ministers stated

27 This is an issue to which we return in Part IV.

28 *First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks* [1989] OJ L 40/1 (now codified as *Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to Approximate the Laws of the Member States Relating to Trade Marks* [2008] OJ L 299/25).

29 *Ibid* arts 3–4.

30 See further Part III below.

that the Government had accepted all of the Working Party's unanimous recommendations.³¹ The Ministers further declared:

The bill is expressed in terms that make it clear that there is to be a presumption of registrability when an application for registration is being examined by the Registrar of Trade Marks. This means that, if there is any doubt about whether a trade mark should be registered, that doubt will be resolved in favour of the applicant rather than against the applicant as is now the case.

Neither the Ministers nor the Explanatory Memorandum set out the precise way in which the bill gave effect to the presumption of registrability. However, the orthodox view has since become that the presumption arises as a result of s 33(1) of the *TMA*. Section 33(1), which effectively inverts s 44(1) of the 1955 Act, states:

The Registrar must, after the examination, accept the application unless he or she is satisfied that:

- (a) the application has not been made in accordance with this Act; or
- (b) there are grounds under this Act for rejecting it.

Section 33(3) of the *TMA* deals with the converse situation, and goes further than the former s 44(1): it is now the case that if the Registrar is satisfied that a ground of rejection exists, the Registrar must reject the application (instead of having a discretion to reject or accept). The view that s 33(1) is the provision that gives effect to the presumption of registrability, both as recommended by the Working Party and as asserted by Parliament to be a clear part of the *TMA*, was propounded in early Office decisions under the *TMA*³² and was accepted by the Full Federal Court in *Registrar of Trade Marks v Woolworths Ltd*.³³ In both that case and in *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks*,³⁴ French J considered that the effect of s 33 is that the onus is no longer on the applicant to establish registrability, and that if in doubt the application is to be accepted.³⁵ To the extent that there has been any controversy over the operation of the presumption, this has related to the question of how s 33 intersects with the multi-stage enquiry contained in the distinctiveness ground of rejection in s 41.³⁶

It is understandable that Hearing Officers and the Federal Court have seized on s 33(1) in the above manner. The fact that s 33(1) reverses the approach the Registrar was required to take under s 44(1) of the former Act in determining

31 Commonwealth, *Parliamentary Debates*, Senate, 30 March 1995, 2590 (Nick Sherry); Commonwealth, *Parliamentary Debates*, House of Representatives, 27 September 1995, 1911 (Michael Lee).

32 See especially *Re Application by Grande Brasserie Alsacienne D'Adelshoffen* (1996) 36 IPR 649, 650–4 (Deputy Registrar Hardie).

33 (1999) 93 FCR 365, 371 [20], 372 [23]–[24] (French J), 387 [67] (Branson J), 395 [104] (Tamberlin J) ('*Woolworths*').

34 (2002) 122 FCR 494 ('*Kenman Kandy*').

35 *Woolworths* (1999) 93 FCR 365, 372 [24], 377 [33]; *ibid* 503 [22], 511 [50].

36 See generally *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50, 56 (Branson J); *Chocolaterie Guylian NV v Registrar of Trade Marks* (2009) 180 FCR 60, 67–9 [17]–[21] (Sundberg J) ('*Guylian*'); *Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519, 528 [28] (Kenny J).

acceptance, in circumstances where there was legislative intent to depart from the position under that Act, can be read as supporting the above view of s 33 of the *TMA* as having set up a ‘presumption’ in the sense of having taken the onus of registrability away from the applicant. There are, however, a number of factors that complicate the orthodox view that the presumption of registrability is contained within s 33. It is to these that we turn in the remainder of this Part. How the presumption might then apply, given its unclear legislative basis, is then discussed in Parts IV–VI.

A first problem with the above reading of s 33 is that it does not fully engage with how the section operates in the context of the ordinary examination process. What is consistently overlooked about s 33(1) is that it applies *after the examination* that the Registrar is obliged to conduct under s 31. Section 33 thus needs to be read in the light of other provisions that afford structured guidance as to how the examination is to take place, and these provisions are contained wholly within the *Trade Marks Regulations 1995* (Cth) (*‘TMR’*).³⁷ Most importantly, reg 4.8(1) deals with the situation where *‘in the course of an examination ... the Registrar reasonably believes’* that a ground of rejection exists.³⁸ Clearly, if an examiner has no such belief, reg 4.8(1) will not apply, the examination will come to an end and the application will be accepted as a result of s 33(1). However, if a belief does arise, the Regulations set up further procedures that keep the examination process on foot and, importantly, steer the examiner away from s 33. In such instances, the examiner must report its belief to the applicant,³⁹ who then has an opportunity to respond by contesting the examiner’s belief or putting on evidence in support of its application.⁴⁰ The examiner is obliged to consider any such response and if he or she ‘continues to believe’ that a ground of rejection exists he or she must report that belief to the applicant,⁴¹ who then has a further opportunity to respond.⁴² An examination might thus continue for some time, raising the question of how such proceedings come to an end. The examiner might be persuaded by the applicant’s response such that he or she no longer maintains the belief that the ground of rejection exists, meaning that the application must then be accepted under s 33(1). Another possibility, which is not set out in the Regulations, is that the Registrar might decide that an impasse has been reached in the course of the examination and will thus issue the applicant with a Notice of Intention to Reject, giving the applicant a short period of time to make a further response or to request a decision on the written record or a hearing before a delegate of the Registrar under s 33(4). If the applicant does not respond, or if the applicant makes further unpersuasive submissions but does not request a hearing, the application will, only then, be rejected as a result of s 33(3) — it is only at that point that the Registrar will say

37 Section 31(b) of the *TMA* requires the Registrar to ‘examine’ and report on whether there are any grounds for rejecting the application. Regrettably, ‘examine’ is defined in s 6(1) of the *TMA* in entirely circular terms as ‘to carry out an examination under section 31 in relation to the application’.

38 Emphasis added.

39 *TMR* reg 4.8(1).

40 *Ibid* reg 4.9.

41 *Ibid* regs 4.10(1)–(2).

42 *Ibid* regs 4.10(4), 4.9.

that it is 'satisfied' that a ground of rejection exists.⁴³ Commonly, however, when an applicant is unable to persuade an examiner to abandon an objection, rather than withdrawing its application or seeking a hearing it will allow the application to remain pending until it lapses as a result of s 37 (approximately 15 months after the date of the adverse report).⁴⁴ In such a case s 33 will not apply, such that if the presumption is located in s 33 it will never be engaged.

What the above shows is that both ss 33(1) and (3) in fact play a limited role in the normal examination process. For an examiner to be 'satisfied' that a ground of rejection has been made out for the purposes of ss 33(1) and (3) is an end-point enquiry that is determined by a process, containing one or more intermediate steps, structured by the Regulations and Office practice. In light of this, plus the fact that lapsed applications never trigger the operation of s 33, it is hard to see what work a presumption of registrability that is located in s 33 plays in the examiner's decision-making process.⁴⁵

A second problem with the orthodox view of s 33 is that it is possible to read the legislative history of the presumption in such a way that s 33 plays a different role from how it is normally perceived. As we suggested in Part II, the Working Party seemed to conceive of the presumption as having a largely formal effect. When the Working Party's conception is combined with the generality of the Second Reading Speeches as to how the presumption forms part of the law, it is arguable that the presumption is reflected in the Act simply through the adoption of an exhaustive list of grounds of rejection that examiners must consider. What ss 33(1) and (3) add is a clear statement that the Registrar does not have an overarching discretion at the end of the examination process — the application is either to be accepted or rejected following an examination of the listed grounds. This reading of how the presumption forms part of the *TMA* is arguably more consistent with an understanding of s 44(1) of the 1955 Act, expressed during the currency of that Act, as being designed to remove the Registrar's discretion but not necessarily to give statutory effect to the principle established in *Eno v Dunn*.⁴⁶ It is also more consistent with how the presumption is reflected in the *European Trade Marks Directive*⁴⁷ and, in particular, in UK law.

The *Trade Marks Act 1994* (UK) contains an exhaustive list of grounds for rejection in ss 3–7, and s 37 dictates how the examination of applications is to occur, providing in part:

43 For the procedure, see *Trade Marks Manual*, above n 1, pt 18.4.

44 See generally *TMR* reg 4.12.

45 We return to this issue in Part V in the course of discussing how a 'presumption of registrability', wherever it might be located, intersects with the examiner's inquisitorial role and the structure of the *TMR*.

46 Shanahan, in voicing support for the loss of the Registrar's discretion in s 44(1) of the 1955 Act, suggested that there remained a number of mechanisms by which 'undesirable' marks could be kept off the Register. One of these was said to be the principle in *Eno v Dunn* (1890) 15 App Cas 252 that the applicant bore the onus of justifying registration and that in a doubtful case the application was to be refused. Shanahan thought that s 44(1) was 'not inconsistent' with *Eno v Dunn*, but never suggested that s 44(1) had given statutory effect to *Eno v Dunn*: Shanahan, 2nd ed, above n 8, 79.

47 See above nn 28–9 and accompanying text.

- (1) The registrar shall examine whether an application for registration of a trade mark satisfies the requirements of this Act ...
- (3) If it appears to the registrar that the requirements for registration are not met, he shall inform the applicant and give him an opportunity, within such period as the registrar may specify, to make representations or to amend the application.
- (4) If the applicant fails to satisfy the registrar that those requirements are met, or to amend the application so as to meet them, or fails to respond before the end of the specified period, the registrar shall refuse to accept the application.
- (5) If it appears to the registrar that the requirements for registration are met, he shall accept the application.

This sets up what might appear, at first glance, to be an unusual scheme. That is, the UK Act can be said to contain a ‘presumption’ in the sense of having an exhaustive list of grounds of rejection that must be considered, but then provides structured guidance in s 37 as to how the examination process is to be conducted that, unlike the position under the *TMA*, requires the examiner to accept the application only if it appears that the grounds of rejection are *not* made out. To an Australian audience, it might seem that s 37 thus puts the onus on the applicant to satisfy the examiner that its mark should be registered. However, UK tribunals have interpreted s 37 as not, in fact, having anything to say about questions of onus. In *EUROLAMB Trade Mark*, the UK Registry held that at the examination stage there is no presumption in favour of, or against, acceptance,⁴⁸ and that the combined effect of ss 37(4)–(5) is simply

to eliminate the discretion which the Registrar previously had with regard to registration ... and to put him in the position of having to make a judgment, yes or no, upon the materials before him as to the registrability of a mark put forward for registration.⁴⁹

This approach has been adopted in subsequent Registry decisions,⁵⁰ and was supported by Robert Walker LJ in the Court of Appeal’s decision in *Procter & Gamble Ltd’s Trade Mark Applications*.⁵¹ That under UK law the onus as between the applicant and registry is ‘neutral’, and that s 37 of the UK Act confirms that the Registrar has no residual discretion following examination, in turn suggest that there might be less to s 33 of the *TMA* than is commonly thought.

Our point thus far has been that s 33 has relatively little work to do during the ordinary course of examination, other than to limit any residual discretion

48 [1997] RPC 279, 288 (Geoffrey Hobbs QC).

49 Ibid.

50 See, eg, *AUDI-MED Trade Mark* [1998] RPC 863, 868 (Allan James); *O2 Holdings Ltd’s Trade Mark Application* [2011] RPC 22, 641 [35] (Daniel Alexander QC) (‘[a]n evaluation of distinctiveness involves no presumption either way. There is no burden for the registrar to discharge to justify a decision to refuse registration’).

51 [1999] RPC 673, 675.

the Registrar might have to reject or accept applications. It must, however, be acknowledged that ss 33(1) and (3) might take on greater significance where the applicant elects to go to a hearing before a delegate of the Registrar under s 33(4), or in appeals to the Federal Court under s 35.⁵² In both situations it can more comfortably be said that the examination has ended, leaving the tribunal to look to the terms of ss 33(1) and (3) to determine whether the application should be accepted or not. This might explain why the Federal Court and Hearing Officers have focused on s 33 in the way they have. Equally, however, it must be remembered that appeals to the Federal Court from a decision to reject are extremely rare and, indeed, *ex parte* hearings under s 33(4) make up only a very small proportion of hearings before the Office.⁵³ Consequently, the point remains that locating the presumption of registrability solely within s 33 is incompatible with any suggestion that the presumption infuses the way trade mark applications are to be assessed under the *TMA*.

A third issue that complicates the legislative basis of the presumption is that there have been a number of Federal Court cases in which it has been said that the presumption of registrability also applies in *opposition* proceedings. This comes across most clearly in *Pfizer Products Inc v Karam* where Gyles J held that ‘the presumption of registrability is also to be applied in the setting of opposition to registration’ and went on to locate the continuance of the presumption in s 55(1) of the *TMA*, which provides that at the end of opposition proceedings the Registrar must either accept or reject the application ‘having regard to the extent (if any) to which any ground on which the application was opposed has been established’.⁵⁴ Further support for the idea that the presumption has a continuing operation in opposition proceedings is to be found in *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd*⁵⁵ and *Kowa Co Ltd v NV Organon*.⁵⁶ However, the suggestion that the presumption of registrability might apply at this stage is surprising. As we saw in Part II, the Working Party explicitly recommended preserving the rule in *Eno v Dunn* (namely, that the onus to establish registrability is on the applicant and that doubt should be resolved against the applicant) in opposition proceedings. There is no suggestion that Parliament intended to deviate from this recommendation.⁵⁷ Further, in its special leave application to the High Court

52 Normally an applicant would only bring an appeal to the Federal Court after a Hearing Officer’s decision to reject the mark, although under the terms of s 35(b) it is not necessary that there be a hearing before the Office as a preliminary step to bringing the matter before the Federal Court. From 15 April 2013 applicants will also be able to bring appeals to the Federal Magistrates Court: *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) sch 6 item 112.

53 By our calculation, in the five year period from 2007–2011, around 6 per cent of reported Office decisions involved hearings under s 33(4).

54 (2006) 70 IPR 599, 602 [8] (‘Pfizer’). See also *Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519, 527–8 [27] (Kenny J); *Mantra IP Pty Ltd v Spagnuolo* [2012] FCA 769 (19 July 2012) [34], [38] (Reeves J).

55 (2003) 132 FCR 326, 330 [21] (Bennett J) (‘Torpedoes’).

56 (2005) 223 ALR 27, 49 [139]–[141] (Lander J) (‘Kowa’).

57 Cf Explanatory Memorandum, Trade Marks Bill 1994 (Cth) 1 (indicating that the legislation that would become the *Trade Marks Act 1994* (Cth) would include provisions along the lines of the Working Party’s unanimous recommendations, including Recommendation 8C. For all relevant purposes, s 55(1) of the *TMA* is identical to s 55 of the *Trade Marks Act 1994* (Cth)). See also *ibid* 48 [138].

in *Television Food Network GP v Food Channel Network Pty Ltd* the primary submission of the opponent to registration was that s 55 of the *TMA* is compatible with the continued application of the rule in *Eno v Dunn*.⁵⁸ Although this special leave application was unsuccessful, the fact that this argument was thought to be open almost 15 years after the coming into force of the *TMA* casts further doubt on the robustness of the legislative underpinnings of the presumption. Importantly, moreover, even though the Full Federal Court in *Food Channel Network Pty Ltd v Television Food Network GP* rejected the continuing application of the principle in *Eno v Dunn*, it was also dismissive of the argument that the presumption of registrability had a continuing operation in opposition proceedings.⁵⁹ As will be seen in Part IV, this dismissal of any role for the presumption in opposition proceedings might not be all that it appears. For now, the only point that we are seeking to make is that the legislative underpinnings of the presumption, contrary to the orthodox view, are highly uncertain.

IV PRESUMPTIONS OF LAW, PRESUMPTIONS OF FACT AND STANDARDS OF PROOF

Thus far we have demonstrated that the historical and doctrinal foundations of the presumption of registrability in Australia are much less secure than has generally been assumed. However, an argument can still be made, drawing on aspects of the Working Party Report, the Second Reading Speeches and Federal Court case law, that one thing the presumption was designed to do (however it has been implemented in the *TMA*) was to ensure that in situations of ‘doubt’ the matter would be resolved in favour of the applicant. This raises perhaps the most complex series of issues about the presumption, because it involves engaging directly with what practical work the presumption is meant to do, which in turn involves unpacking questions such as what we mean by ‘doubt’ in this context and the effect the presumption has on the standard of proof.

Uncertainty over what the presumption was intended to achieve and how the presumption is embodied in the legislative structure mean that there is no clear authoritative statement setting out how, precisely, the presumption is intended to operate. At various points in the *Trade Marks Manual* it is stated that there is now a ‘presumption that trade marks are registrable unless there is a *clear* ground of rejection’⁶⁰ and that the examiner must accept an application unless ‘*clearly* satisfied’ that a ground of rejection exists.⁶¹ Such statements are consistent with the idea expressed in the Second Reading Speeches that if there is ‘*any* doubt’

58 Transcript of Proceedings, *Television Food Network GP v Food Channel Network Pty Ltd* [2010] HCATrans 303 (12 November 2010).

59 (2010) 185 FCR 9, 18 [26], [28] (Keane CJ, Stone and Jagot JJ) (*‘Food Channel’*).

60 *Trade Marks Manual*, above n 1, pt 20.5.1.2 (emphasis added). See also pt 26.2.

61 *Ibid* pt 29.1.1 (emphasis added).

about whether a ground of rejection exists, the application should be accepted.⁶² One problem with such statements is that they tell us almost nothing about the circumstances in which doubt or uncertainty should be given legal effect. After all, uncertainty is part of the human condition. For a decision-maker not to experience *any* degree of doubt when determining a case must surely be rare; it must be a situation confined (at most) to the extremely self-confident adjudicator dealing with the most cut and dried of cases. Consequently, the mere fact that a decision-maker may experience some subjective uncertainty as to what the outcome should be cannot mean that there is a form of ‘doubt’ present of which the law can or should take cognisance. It is therefore necessary to take some time distinguishing between different ways in which doubt as to the proper outcome might arise.

Doubt will not infrequently arise from *legal* uncertainty — the law on a particular point will be unclear or open to a number of different interpretations, creating uncertainty for all but the highest level of appellate tribunal. This does not, however, mean that there is room for the operation of a presumption. On the contrary, attempts to apply a presumption in order to determine a question of law on which there is uncertainty would be entirely inappropriate. Put crudely, we do not expect tribunals, when faced with difficult legal questions, to reach a point where they throw up their hands, declare the issue to be too hard and apply a presumption in favour of a particular party. Tribunals are frequently required to determine difficult legal questions, but in such a case we should expect the tribunal to persevere and do its best to find *the answer*. In this respect it is worth bearing in mind how Ronald Dworkin uses the construct of ‘Judge Hercules’ to explore the relationship between admitted legal uncertainty and judicial decision-making.⁶³ One does not have to accept every aspect of Dworkin’s theory of law or his ‘one right answer’ thesis to admit that the figure of Hercules approximates to how we expect legal decision-makers to behave. In other words, even if we accept that legal rules are often open textured and that at some points judges and other adjudicators are required to create (and not just pronounce) new law, we expect this to be done after an exhaustive enquiry that pays attention not just to binding rules but also to a range of legal principles and to broader questions of ‘fit’.⁶⁴ To conclude that this type of reasoning should be replaced with the operation of a presumption favouring the development of the law in favour of one party’s interests would seem highly undesirable. Even an ‘ethical’ or ‘normative’ positivist who is committed both to the pre-eminence of democratic decision-making and to the idea that judges legislate in hard cases⁶⁵ (and that judicial efforts to ‘find’ the law in such cases serve to mask the true nature of their role)

62 Commonwealth, *Parliamentary Debates*, Senate, 30 March 1995, 2590 (Nick Sherry); Commonwealth, *Parliamentary Debates*, House of Representatives, 27 September 1995, 1911 (Michael Lee) (emphasis added).

63 Ronald Dworkin, *Law’s Empire* (Fontana Press, 1986), in particular, 239–66.

64 For a sophisticated account of how legal positivists can account for these elements of judicial reasoning see Scott J Shapiro, ‘The “Hart–Dworkin” Debate: A Short Guide for the Perplexed’ in Arthur Ripstein (ed), *Ronald Dworkin* (Cambridge University Press, 2007).

65 For discussion of this strand of ethical/normative positivism see Jeremy Waldron, ‘Normative (Ethical) Positivism’ in Jules Coleman (ed), *Hart’s Postscript: Essays on the Postscript to the Concept of Law* (Oxford University Press, 2001).

is unlikely to be supportive of a presumption operating in this way. Although applying a presumption in favour of one party would limit judicial discretion,⁶⁶ it would not do so in a way that would enhance democratic decision-making and would come at a significant cost in terms of legal coherence. To our mind, therefore, it is clear that there can be no room for the operation of the presumption of registrability when determining a question of law. This appears to be consistent with the approach to the presumption adopted by French J in the *Woolworths* and *Kenman Kandy* cases. In these decisions his Honour made reference to questions being in doubt but in so doing seemed to tie the operation of the presumption to questions of the onus of proof, suggesting that ‘doubt’ can only arise when the facts are in dispute or are unclear.⁶⁷

Unfortunately, however, drawing a sharp distinction between issues of fact and law is difficult in the trade marks context. This is because almost all decisions as to the registrability of trade marks involve mixed questions of fact and law.⁶⁸ Admittedly, labelling an issue as a ‘mixed question’ has long been controversial, with critics insisting that this label occludes more than it reveals.⁶⁹ Nevertheless, it is a label that seems particularly apt to describe how tribunals determine questions such as deceptive similarity and distinctiveness, where there is a complex interplay between established legal principles and the facts at hand. However, as critics of the ‘mixed question’ rubric would be quick to point out, the mere fact that a single test may require the determination of both factual and legal questions should not obscure the fact that, to the greatest extent possible, tribunals should ‘break down’ the matter according to the precise issue that needs to be resolved.⁷⁰ To our mind this provides an indication of the limits of the presumption’s reach — although best characterised as mixed questions, decisions as to registrability can only be influenced by the presumption insofar as tribunals are, in essence, determining factual rather than legal issues.

66 The desire to limit judicial discretion is most obviously seen in the hostility of ethical/normative positivists to entrenched Bills of Rights. See, eg, Tom D Campbell, *The Legal Theory of Ethical Positivism* (Dartmouth, 1996), in particular, 161–3, 184–5; Jeremy Waldron, *Law and Disagreement* (Clarendon Press, 1999), in particular, 213, 285–96.

67 See especially *Woolworths* (1999) 93 FCR 365, 381 [47], his Honour noting that a different result as to whether marks are ‘deceptively similar’ could always be achieved in opposition proceedings where the opponent has the opportunity to file market-based evidence.

68 We acknowledge that determinations of deceptive similarity have traditionally been called ‘jury questions’. However, the treatment of deceptive similarity as a pure question of fact is not reflected in the history of the standard of review in appellate proceedings. Over recent years this has led the Full Federal Court at times to refuse to apply a ‘manifest error’ standard: see Robert Burrell and Michael Handler, *Australian Trade Mark Law* (Oxford University Press, 2010) 170–2.

69 See, eg, Frederick Green, ‘Mixed Questions of Law and Fact’ (1901) 15 *Harvard Law Review* 271; Timothy A O Endicott, ‘Questions of Law’ (1998) 114 *Law Quarterly Review* 292; Randall H Warner, ‘All Mixed Up about Mixed Questions’ (2005) 7 *Journal of Appellate Practice & Process* 101. Against this view, however, it might be noted that other commentators have insisted that the law–fact dichotomy is itself problematic as these categories are not ontologically distinct. See especially Ronald J Allen and Michael S Pardo, ‘The Myth of the Law–Fact Distinction’ (2003) 97 *Northwestern University Law Review* 1769.

70 There is judicial support for this disaggregative approach, at least in the United States. See, eg, *Meridian Bank v Alten*, 958 F 2d 1226, 1229 (3d Cir, 1992) (dealing with standards of appellate review).

To illustrate what our preferred approach would entail we might consider how a tribunal might approach the question of whether an applicant has made ‘prior continuous use of a mark’, such that it is entitled to registration by virtue of s 44(4) of the *TMA*. In aggregate this requires consideration of whether the applicant’s evidence of use satisfies a legal standard. In particular, the question of whether the use is ‘continuous’ requires an application of a legal standard that has evolved, on the one hand, to require regular and substantial use but, on the other hand, makes allowances for seasonal use in industries in which year-round use would be unusual or impossible. At present the state of the law is such that a considerable degree of uncertainty attaches to the continuous use requirement.⁷¹ But this does not mean that there is any scope here for the operation of the presumption of registrability — the uncertainty here stems from the fact that the margins of a legal standard have yet to be fully delineated. The presumption of registrability could thus only bite insofar as the tribunal is weighing the evidence of use that has been placed before it, that is, does the evidence demonstrate that the legal standard has been satisfied? Here it might be thought that the role of the presumption is to ensure that the tribunal takes an ‘applicant friendly’ view of the evidence presented and does not, therefore, seize on every temporal gap in the material to conclude that the use was not continuous. However, even this account of the role of the presumption is problematic.

One of the things that has been glossed over in discussions of the presumption of registrability is the question of how the presumption intersects with the standard of proof. That this issue has not been fully explored is perhaps unsurprising — the effect of presumptions on evidential standards has caused confusion for more than a century.⁷² But as a general matter there is no reason to assume that a presumption has *any* effect on the standard of proof to be applied: a presumption ‘does not specify how much; whether proof beyond a reasonable doubt or by a preponderance of all the evidence, or by any other measure of proof’.⁷³ Precisely this point was recognised in *Pfizer* where Gyles J said that ‘[a]ccepting that there is a presumption of registrability says nothing as to the standard of proof ...’⁷⁴

Our starting assumption must be that tribunals are required to apply the ordinary civil law *balance of probabilities* standard unless some convincing basis can be found for applying a different standard. There is certainly nothing in the language of s 33 (or in any other provision of the *TMA* or *TMR*) that would suggest that a different standard should be applied. On the contrary, s 33 requires the Registrar to be ‘satisfied’ as to a particular state of affairs and it would be difficult to see how this language could be compatible with applying a standard that saw marks being accepted for registration even though the preponderance of evidence suggested

71 See Burrell and Handler, above n 68, 214, 372.

72 James B Thayer, ‘Presumptions and the Law of Evidence’ (1889) 3 *Harvard Law Review* 141, 165.

73 *Ibid.* To be clear, the existence of a presumption has often been understood to change the standard of proof. For example, the presumption of legitimacy (ie, that a child was born in wedlock) carried with it a ‘beyond reasonable doubt’ standard of proof at common law. More generally, it has often been the case that the existence of a presumption has been used as a shorthand primarily to denote a change in the ordinary civil standard of proof. However, for Thayer, these uses of the language of ‘presumption’ were unhelpful. The key point we are trying to emphasise is that there is nothing *inherent* in the notion of ‘presumption’ that requires the adoption of a higher standard of proof.

74 (2006) 70 IPR 599, 605 [18].

that the mark should be rejected.⁷⁵ When deciding whether an application should be accepted for registration, the tribunal will need to reach a point where it is *either* satisfied on the balance of probabilities that a ground of rejection does not arise, *or* that it is not satisfied as to this. The effect of the balance of probabilities standard is that there is little room for a third conclusion that lies somewhere between being satisfied and not being satisfied. This could only occur if the evidence were absolutely in the balance, a point to which we return in the final section of this article. At this stage, it is enough to note that references in the case law to ‘doubt’ needing to be resolved in favour of applicants for registration must be read very carefully: the doubt in question can logically only relate to factual questions, and the overall standard that tribunals need to apply is the balance of probabilities.

Recognition that the presumption of registrability does not displace the ordinary balance of probabilities standard at the examination stage holds important lessons for the operation of the presumption during opposition proceedings and the related, and highly controversial, question of the standard of proof that applies in such proceedings. On this last question, the Full Federal Court suggested in obiter dicta in *Lomas v Winton Shire Council* that the standard to be applied in opposition proceedings is whether the applicant’s mark should *clearly* not be registered.⁷⁶ This approach has been followed in a number of first instance Federal Court decisions.⁷⁷ One reason that was given for the adoption of this higher standard is that it would align trade mark law with patent law, where prior to recent legislative amendments it had been firmly established that a higher standard applied in opposition proceedings. Significantly, however, in at least three cases the adoption of the higher standard in trade mark oppositions was also justified by reference to the presumption of registrability.⁷⁸ We have argued elsewhere that the public interest in ensuring that invalid trade marks do not make it on to the Register strongly suggests that the adoption of the higher standard is undesirable.⁷⁹ We have also expressed the view that the analogy with patent law was never convincing,⁸⁰ and it is noteworthy that the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) has lowered the standard in patent oppositions to the balance of probabilities,⁸¹ such that aligning trade mark and patent opposition proceedings no longer provides an adequate rationale for adopting the higher standard. More importantly for present purposes, however,

75 That the balance of probabilities is the relevant standard under s 33 has been confirmed by the Federal Court in cases such as *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50, 56 (Branson J) and *Guylian* (2009) 180 FCR 60, 67 [16]–[17], 68–9 [21] (Sundberg J).

76 (2003) AIPC 91-839, 35 169 [17], 35 172 [36] (Cooper, Kiefel and Emmett JJ).

77 See *Torpedoes* (2003) 132 FCR 326, 330 [18]–[22] (Bennett J); *Austereo Pty Ltd v DMG Radio (Australia) Pty Ltd* (2004) 61 IPR 257, 258 [4], 264 [29] (Finn J); *Health World Ltd v Shin-Sun Australia Pty Ltd* (2005) 64 IPR 495, 496–7 [4]–[6] (Cooper J); *Kowa* (2005) 223 ALR 27, 48–9 [138]–[141] (Lander J); *Effem Foods Pty Ltd v Wandella Pet Foods Pty Ltd* (2006) 69 IPR 243, 251 [37] (Moore J); *Hills Industries Ltd v Bitek Pty Ltd* (2011) 90 IPR 337, 350 [54]–[55] (Lander J); *NV Sumatra Tobacco Trading Co v British American Tobacco Services Ltd* (2011) 198 FCR 435, 443–4 [33]–[38] (Greenwood J).

78 *Torpedoes* (2003) 132 FCR 326, 330 [21] (Bennett J); *Kowa* (2005) 223 ALR 27, 49 [139]; *Effem Foods Pty Ltd v Wandella Pet Foods Pty Ltd* (2006) 69 IPR 243, 251 [37] (Moore J).

79 Burrell and Handler, above n 68, 53.

80 *Ibid* 54.

81 *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) sch 1 item 15, which commences on 15 April 2013.

we would insist that no separate justification for this standard can be found in the presumption of registrability. To reiterate, even if one accepts that a presumption applies at the opposition stage, its mere presence tells us nothing about the standard of proof to be applied.

If the balance of probabilities standard is to apply to trade mark oppositions, the question of whether there is a presumption of registrability at the opposition stage takes on far less importance. More specifically, one can begin to see that there is potentially little difference between a case like *Pfizer* and a case like *Food Channel*. As was noted in the previous section, in *Pfizer* Gyles J held that the presumption applies at the opposition stage. However, his Honour also held that the standard of proof is that the opponent must make out its case on the balance of probabilities.⁸² In contrast, in *Food Channel* the Full Federal Court was far more sceptical of the idea that the presumption applies at the opposition stage, but the Court nevertheless held that the burden of proof is on the opponent, following the general principle that ‘the party who asserts must prove’.⁸³ If this latter approach is applied in conjunction with a balance of probabilities standard it is strongly arguable that there is no difference between the two approaches: on either approach the onus is on the opponent, but it is only if matters are in the balance that the issue will be resolved in favour of the applicant. Admittedly, *Food Channel* left open the standard of proof to be applied; that is, it left open the possibility that the correct standard in opposition proceedings is that the mark should clearly not be registered.⁸⁴ However, this is itself instructive. If the *Food Channel* test is combined with the higher standard of proof that would result in a situation where examination proceedings, during which a presumption applies, would be less applicant friendly than opposition proceedings, where, in the Full Federal Court’s view, no such presumption is present.

- 82 (2006) 70 IPR 599, 606–7 [21]–[26] (Gyles J). This standard has been adopted in the majority of Federal Court appeals from opposition decisions (see, eg, *Clinique Laboratories Inc v Luxury Skin Care Brands Pty Ltd* (2003) 61 IPR 130, 132–3 [10]–[12] (Gyles J); *BP plc v Woolworths Ltd* (2004) 62 IPR 545, 549 [8] (Finkelstein J); *Kimberly-Clark Worldwide, Inc v Goulimis* (2008) 78 IPR 612, 615 [8] (Jagot J); *Guylian* (2009) 180 FCR 60, 70 [26] (Sundberg J); *Television Food Network, GP v Food Channel Network Pty Ltd [No 2]* (2009) 80 IPR 314, 322–3 [36]–[37] (Collier J); *Sports Warehouse Inc v Fry Consulting Pty Ltd* (2010) 186 FCR 519, 530 [39] (Kenny J); *Allergan Inc v Di Giacomo* (2011) 199 FCR 126, 129–30 [12] (Stone J); *Fry Consulting Pty Ltd v Sports Warehouse Inc [No 2]* (2012) 201 FCR 565, 577 [42], 594 [145] (Dodds-Streton J); *Nexans SA v Nex 1 Technologies Co Ltd* [2012] FCA 180 (2 March 2012) [9] (Murphy J); *Mantra IP Pty Ltd v Spagnuolo* [2012] FCA 769 (19 July 2012) [39]–[40] (Reeves J). It is also the standard currently applied by the Trade Marks Office in opposition proceedings.
- 83 (2010) 185 FCR 9, 18 [26]–[28] (Keane CJ, Stone and Jagot JJ), citing *Unity Insurance Brokers Pty Ltd v Rocco Pezzano Pty Ltd* (1998) 192 CLR 603, 640 [99] (Kirby J) and *Joseph Constantine Steamship Line Ltd v Imperial Smelting Corporation Ltd* [1942] AC 154, 174 (Viscount Maugham LC). As an aside, we note that the ‘the party who asserts’ principle can be difficult in application, as both parties will inevitably be making assertions of one kind or another. A similar idea, with more explanatory power, is that the party who seeks a change to the status quo bears the burden. But applying this refined understanding takes one to the same point: the ‘status quo’ here is that the mark has been accepted and will otherwise be registered.
- 84 (2010) 185 FCR 9, 20 [32] (Keane CJ, Stone and Jagot JJ). In *NV Sumatra Tobacco Trading Co v British American Tobacco Services Ltd* (2011) 198 FCR 435, 444 [35], Greenwood J thought it significant that the Full Court in *Food Channel* had not elected to cast doubt on *Lomas v Winton Shire Council* (2003) AIPC 91–839 in the context of discussing that case.

V THE PRESUMPTION OF REGISTRABILITY AND THE ROLE OF THE TRADE MARKS OFFICE

Another set of issues that has thus far remained largely unexplored relates to how the presumption meshes with the role that the Trade Marks Office performs within the registered trade mark system. Presumptions are invariably understood to be addressed to legal decision-makers. A presumption requires a tribunal to assume a given state of affairs. The burden then falls on the person against whom the presumption operates to adduce evidence sufficient to rebut the presumption, with the quality and quantity of the evidence required varying according to the standard of proof in operation. Presumptions therefore make most sense in the context of an adversarial system, where it is the job of a neutral decision-maker to determine whether the presumption has been displaced.⁸⁵ It is, however, rather more difficult to describe how a presumption should apply in the context of an inquisitorial process, that is, a legal process in which the decision-maker actively investigates the facts at issue. In the face of a presumption it might be asked why a decision-maker operating within an inquisitorial system should conduct any form of further inquiry. It has been said that the ‘the registrar should approach the question of registration with the presumption of registrability in mind’.⁸⁶ If, however, an examiner is to approach an application with the presumption in mind why should he or she actively search for information that might reveal a problem with the application? An examiner might be justified in raising an objection to an application that was obviously problematic on its face, but it is difficult to see why an examiner should proactively search for evidence that might suggest that the mark should be refused acceptance. Yet this is precisely how examiners proceed. Steered by the guidance provided in the *Trade Marks Manual* and by the procedures embedded in IP Australia’s computerised ‘Trade Mark Research Facility’ examiners will address their minds to such questions as whether the mark consists of a common Australian surname, whether a word component

85 The relationship between burdens of proof, presumptions and the operation of an adversarial system was recognised by Roy Robert Ray, ‘Burden of Proof and Presumptions’ (1934) 13 *Texas Law Review* 33, 33. See also Geoffrey J Orr, ‘Toward a Workable Civil Presumptions Rule in Louisiana’ (1993) 53 *Louisiana Law Review* 1625, 1626 where the author notes ‘there exists no real agreement on presumptions in the body of evidence law developed under the evidentiary strictures of the common law, the problem becomes more confounded when such precepts are applied to a civil law system ...’ Also noteworthy in this regard are debates over the operation of the presumption of innocence in civil law systems. There is widespread recognition amongst comparative criminal lawyers that the presumption of innocence does not operate in the same manner in inquisitorial and adversarial systems. See, eg, Bron McKillop, ‘Anatomy of a French Murder Case’ (1997) 45 *American Journal of Comparative Law* 527, 579 arguing that ‘the notion of the presumption of innocence peculiar to the adversarial system has to be recast to point up corresponding processes in the French system’; Michael Louis Corrado, ‘The Future of Adversarial Systems: An Introduction to the Papers from the First Conference’ (2010) 35 *North Carolina Journal of International Law and Commercial Regulation* 285, 287–8: ‘Although it may not be fair to say that there is no presumption of innocence in such a system, the role of the dossier [of evidence compiled by the examining magistrate] certainly raises a question about that presumption’.

86 *Kowa* (2005) 223 ALR 27, 49 [139] (Lander J), adopted by the Trade Marks Office in *Re Clipsal Australia Pty Ltd* (2005) 67 IPR 447, 451 [19]–[20] (Hearing Officer Thompson).

appears in the *Oxford English Dictionary* or *Macquarie Dictionary* and what a Google search reveals about the mark.⁸⁷

It is, of course, entirely proper that examiners conduct themselves in this way — the *TMA* and *TMR* set up a scheme whereby the Office is expected to conduct a thorough investigation of whether a mark ought to be accepted for registration. In administrative law terms, the statutory framework places the Trade Mark Office under a ‘duty to inquire’ whether a mark should be accepted for registration.⁸⁸ This duty extends beyond the initial examination and explains why the Office will sometimes reconsider an initial decision to accept a mark and revoke acceptance pursuant to s 38 of the *TMA* or even, potentially, revoke registration pursuant to s 84A.⁸⁹ To insist that the Office should approach the question of registrability with the presumption ‘in mind’ has the potential to cause confusion.

The Office’s primary obligation is to conduct a detailed inquiry into whether marks meet the requirements for registration. In so doing it has to develop processes and procedures to structure this inquiry so as to promote efficiency and ensure consistency of decision-making. During the inquiry an examiner will not infrequently identify information that will seem to indicate that a mark ought not to be accepted for registration. But, to return to some of the points we made in Part III, it is not the case that the examiner will reject the application at that point. Rather, the applicant will be given an opportunity to enter into a dialogue with the Office by communicating with the examiner in writing or even by telephone. It may be the case that this dialogue will fail to result in the issue being resolved, but this opportunity for negotiation is nevertheless a critical component of the examination process. What is vitally important for present purposes is that it inaccurately describes the nature of examination to say that when an adverse report is issued the examiner has been satisfied on the balance of probabilities that a ground of rejection applies. Rather, examiners issue reports when, as the Regulations require, they have a ‘reasonable belief’ that a ground of rejection exists.⁹⁰ It is then down to the applicant to decide how it wishes to respond — it may seek to persuade the examiner to change his or her mind, it may seek to narrow the specification so as to avoid a problem that only relates to some of the goods or services listed, it may file evidence with a view to demonstrating, for example, that the mark has acquired distinctiveness or that it enjoys the benefit of honest concurrent or prior continuous use. It is only if an examiner concludes that the dialogue has reached an impasse that a Notice of Intention to Reject will be issued, with a view to the matter being finally determined. In the more usual case, as was noted earlier, the dialogue will simply peter out, with no final decision being reached before the application lapses.

87 Copies of the materials generated by examiners during the course of their inquiry are released from time to time in response to Freedom of Information Requests. These materials can be accessed at IP Australia, *FOI Disclosure Log* (20 August 2012) <<http://www.ipaustralia.gov.au/about-us/freedom-of-information/foi-disclosure-log/>>.

88 See generally Matthew Groves, ‘The Duty to Inquire in Tribunal Proceedings’ (2011) 33 *Sydney Law Review* 177.

89 In practice, the decision to reopen the inquiry into the acceptance or registration of a mark will normally be triggered by a third party.

90 See *TMR* regs 4.8(1), 4.10(1).

Thus, insofar as one is talking about the most common course that the examination process runs, one can see that the presumption never bites. Of course, this leaves the more unusual categories of case. These include those where a Notice of Intention to Reject has been issued. But even in this scenario the Office continues to keep opportunities for dialogue open right up until the point where the decision to reject is finalised.⁹¹ Moreover, although the final decision in such a case will be formally justified by reference to s 33, it is worth bearing in mind that the decision to reject will, in practice, flow from the exhaustion of the dialogue between the applicant and the examiner — a Notice will be issued where, after a number of rounds of back and forth communication, the Office decides that the applicant has not put forward anything that casts doubt on the correctness of the examiner's view that there is a barrier to acceptance of the mark. Thus, even accounting for internal review and quality control mechanisms,⁹² a decision to reject in such a case feels more like the natural consequence of the applicant failing to displace the examiner's 'reasonable belief' that there is a problem with the mark than the product of a *de novo* weighing of the available evidence that takes place at the very end of the examination process, that is, immediately before s 33 is applied.

It makes rather more sense to talk about the operation of the presumption of registrability where the applicant requests a decision on the written record or a hearing under s 33(4), or where it appeals a decision to the Federal Court under s 35. In these types of case a final determination will be reached independently from the examination division's refusal to accept the mark. The setting is also much more adversarial in nature. This is most obviously true in the case of appeals to the Federal Court during which the Office will be represented and will seek to defend its decision. However, *ex parte* hearings and decisions on the written record also have something of an adversarial character in the sense that (in either case) a Hearing Officer will weigh the evidence put forward by the applicant and consider this in light of the issues identified by the examiner. But to reiterate, even if it makes sense to talk about the operation of the presumption of registrability in the case of appeals to the Federal Court, *ex parte* hearings, decisions on the written record and (to some degree) decisions to reject after matters have reached an impasse, the point remains that the presumption only has limited work to do. As explained in Part IV, it is only if an issue of evidence is in the balance that the decision-maker must find in favour of the applicant.

Our concern is that to set up the presumption as being something that colours the entirety of the examination process runs the risk of mischaracterising the role of the Trade Marks Office within the registered trade mark system. As has been seen, this role is best viewed as one that rests on a duty to inquire, a duty that extends to reopening decisions in the event that fresh information comes to the Office's attention. If the investigation conducted by the Office gives rise to a reasonable belief that the mark should not be placed on the Register its role is

91 Even at this stage the applicant may elect to respond by making further written submissions rather than seeking a Hearing or a decision on the written record: *Trade Marks Manual*, above n 1, pt 18.4.3.3.

92 For example, not every examiner has the power to sign off on a Notice of Intention to Reject. As the *Trade Marks Manual* makes clear, the delegation to reject an application under s 33 is only held by APS6 (the most senior) examiners, EL1 Examination Team Leaders and Deputy Registrars: *ibid* pt 18.4.2.

to maintain its objection unless and until cogent new material is placed before it. This latter aspect of its role then explains why, as we noted immediately above, the Office will invariably exercise its right to be represented in an appeal that goes to the Federal Court and why it will unfailingly seek to defend its decision to reject a mark.⁹³ To insist that the Office is to be guided throughout by the presumption of registrability fails to encapsulate the true nature of the Office's role within the trade mark system.

VI RETHINKING THE PRESUMPTION

Some 75 years ago Professor Edmund Morgan said of presumptions, '[t]he role which presumptions are theoretically deemed to play in actual litigation is almost negligible when compared with the confusion, uncertainty, and opportunities for error and alleged error which they create'.⁹⁴ One of our motivations in writing this paper has been to prompt a discussion with the hope that a better understanding of the role of the presumption of registrability might emerge. Our particular concerns are suggestions that the effect of the presumption is that applications should somehow be readily accepted, or that examiners should apply something other than a balance of probabilities standard or that the presumption provides support for the adoption of the 'should clearly not be registered' standard in opposition proceedings. As we have tried to make clear, the presumption cannot be assigned so significant a role. Rather, it should be understood in two more limited ways.

First, the presumption of registrability is a shorthand way of communicating the fact that the Registrar no longer enjoys an overarching discretion to refuse registration. It will be remembered that the Working Party's view was that the removal of any residual discretion to reject a mark should apply during both examination and in opposition proceedings. In this sense, therefore, the Working Party's recommendation was that the presumption of registrability should apply at both stages. That this was the Working Party's view provides a further reason for concluding that s 55 of the *TMA*, which, as has been seen, governs what the Registrar must do at the conclusion of an opposition, should not be read as conferring any residual discretion on the Registrar to refuse to register a mark.⁹⁵

93 Section 196 of the *TMA* provides that '[t]he Registrar may appear and be heard at the hearing of an appeal to the Federal Court against a decision or direction of the Registrar'. For a recent illustration of the Registrar defending both its earlier decision and Office practice before the Federal Court, see *Guylian* (2009) 180 FCR 60.

94 Edmund M Morgan, 'Presumptions' (1937) 12 *Washington Law Review* 255, 280.

95 The view that s 55 preserves a residual discretion is open on the text of this provision, but as we have argued at length elsewhere we believe this interpretation ought to be rejected: Burrell and Handler, above n 68, 55–6. Interestingly, under New Zealand law it has been suggested that the *Trade Marks Act 2002* (NZ) is 'presumptive of registrability' in this first sense. To explain, under ss 13 and 40 of the New Zealand Act the Commissioner of Trade Marks has no residual discretion to refuse registration: see Paul Sumpter, *Trade Marks in Practice* (LexisNexis, 2004) 27. Notably, in two recent decisions the Intellectual Property Office of New Zealand has held that the fact that the Act is 'presumptive of registrability' in this sense has no bearing on the onus of proof in opposition proceedings which, in New Zealand, remains on the applicant: *Cotton On Clothing (New Zealand Ltd) v Ruby Apparel (2008) Ltd* [2010] NZIPOTM 20 (12 October 2010) [9]–[10]; *AMI Insurance Ltd v AA Insurance Ltd* [2010] NZIPOTM 21 (8 November 2010) [11]–[12].

Secondly, the presumption should be understood as requiring the matter to be decided in the applicant's favour in a situation where the evidence is entirely in the balance. Again, when understood in this way, it can be said that the presumption of registrability applies at both the examination and the opposition stages,⁹⁶ albeit in the former case in the limited number of situations set out at the end of Part V. This then raises the question of what it means to describe evidence as being in the balance or, as it is sometimes put in the evidence literature, when will the law recognise 'a tie'?

On one view the possibility that the evidence might be balanced exactly is more theoretical than real. Indeed, it has been demonstrated statistically that the probability of the evidence ever being in the balance is, for all practical purposes, zero.⁹⁷ It is also notable that in the trade marks context in the UK it has not been thought necessary to accommodate the 'tie' scenario, there being no presumption either way when questions of registrability are being determined.⁹⁸ Nevertheless, even on a strict 'more likely than not' view of the application of the balance of probabilities standard, it is still possible to envisage scenarios in which the presumption would have a role to play. Specifically, the presumption might apply where there is, in effect, no evidence before the tribunal. Consider, for example, a situation where a Hearing Officer is confronted with two incompatible claims as to first use of a trade mark⁹⁹ and where he or she forms the view that the evidence put forward by both sides is entirely lacking in credibility, such that no weight whatsoever can be attributed to it. In such a case the presumption of registrability can be understood to place a 'burden of production' on the opponent — in the event that the evidence led by the opponent is discounted in its entirety (or, of course, if the opponent fails to lead any evidence at all) the presumption requires the tribunal to find in favour of the applicant for registration.¹⁰⁰

An alternative view is that evidence can meaningfully be described as being in the balance whenever a decision maker regards a case as sufficiently close as to

96 To reiterate, this conclusion relating to opposition proceedings rests on the premises, first, that the Full Federal Court in *Food Channel* (2010) 185 FCR 9 was correct as a matter of general principle to insist that the burden falls on the opponent to make its case and, second, as was held in *Pfizer* (2006) 70 IPR 599 and supported in the majority of Federal Court decisions on point, that the balance of probabilities standard is to be preferred to the 'should clearly not be registered' standard.

97 Louis Kaplow, 'Burden of Proof' (2012) 121 *Yale Law Journal* 738, 758 n 34.

98 See above nn 48–51 and accompanying text. See also *Re B (Children) (Care Proceedings: Standard of Proof)* [2009] AC 11. The judge at first instance, who had been required to determine a factual question on the balance of probabilities, had concluded that the evidence was such that he could neither find that it was more likely than not that the necessary fact existed, nor could he find that it was more likely than not that the necessary fact did not exist. In the House of Lords Baroness Hale at 24–5 [31]–[32] was strongly critical of such fence-sitting as an abnegation of the judicial officer's responsibility, and although it was noted that at times the burden of proof might 'come to the rescue' of a judge, it was thought that 'generally speaking a judge is able to make up his mind where the truth lies without needing to rely upon the burden of proof'.

99 In this scenario we are imagining an opposition brought by reference to s 58 of the *TMA* (applicant not the owner).

100 Kaplow, above n 97, does not address this scenario directly (ie, a 'tie' being a realistic possibility because there is, in effect, no evidence before the tribunal) but he accepts that production burdens retain a separate role within the law, albeit not one that should be accepted at face value. Our thanks go to Professor Kaplow of Harvard University for clarifying this aspect of his theory.

perceive a tie, even if the evidence in fact generates a probability of slightly more or slightly less than 50 per cent.¹⁰¹ This approach to the balance of probabilities standard — which in its modern form draws on a ‘fuzzy logic’ approach to probabilistic reasoning¹⁰² — is one that chimes with the approach to the balance of probabilities standard set out in *Briginshaw v Briginshaw*, where the High Court emphasised that what is required is that the decision-maker feel an ‘actual persuasion’ of the existence of the necessary fact, the implication being that a strict ‘more likely than not’ approach will not always be appropriate.¹⁰³ Returning to the trade mark context, this would mean that the presumption of registrability might operate in a small but not fanciful range of cases, beyond those where a tribunal is confronted with a complete absence of reliable evidence. It must be stressed, however, that even on this broader view of what it means to describe a case as ‘tied’, the presumption of registrability could still only have work to do in very unusual circumstances.

Against this background the impact of the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) can be seen in a new light. As a textual matter, the Court in *Blount Inc v Registrar of Trade Marks*¹⁰⁴ was clearly correct to conclude that the presumption of registrability could not apply to all elements of the distinctiveness ground of refusal contained in s 41 of the *TMA* as originally drafted.¹⁰⁵ The *Raising the Bar* amendments seek to remove this anomaly, but in so doing will have only the most marginal impact on legal outcomes — at the danger of belabouring the point, the difference between the original and the new standard will only manifest itself in a case where the evidence (in this case, as to whether a mark has acquired sufficient distinctiveness to clear the s 41 hurdle) is in the balance. Such cases will be extremely rare, even if one adopts the broader ‘subjectively perceived tie’ approach to the balance of probabilities standard. The interesting question, therefore, is why IP Australia was sufficiently concerned to champion this amendment. Part of the answer must surely lie in the desire of the Office to be able to call in aid the presumption when assessing evidence of acquired distinctiveness — even if as a matter of strict logic the presumption ought to have little impact on outcomes it has developed a rhetorical significance that the Office seems keen to be able to draw upon. However, this is itself merely question begging. Why is the Office so keen to be able to draw on the presumption in the distinctiveness context?¹⁰⁶ Similarly, why were the

101 Ibid 758 n 34. For further discussion see David Hamer, ‘Probability, Anti-Resilience, and the Weight of Expectation’ (2012) 11 *Law, Probability and Risk* 135.

102 See generally Kevin M Clermont, ‘Death of Paradox: The Killer Logic Beneath the Standards of Proof’ (2012) 88 *Notre Dame Law Review* (forthcoming); David Hamer, ‘Probabilistic Standards of Proof, Their Complements, and the Errors That Are Expected to Flow from Them’ (2004) 1 *University of New England Law Journal* 71.

103 (1938) 60 CLR 336, 361 (Dixon J).

104 (1998) 83 FCR 50.

105 This is, in short, because both ss 41(5) and (6) required the decision-maker to be positively satisfied as to the existence of a state of affairs for the ground of rejection in s 41(2) *not* to be made out.

106 It is significant in this regard that the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) does not amend ss 44(3) and (4) of the *TMA*, both of which require the Registrar to be positively satisfied as to a state of affairs (eg, the existence of honest concurrent use or prior continuous use) for the grounds of rejection in ss 44(1) or (2) *not* to apply.

Working Party's recommendations as regards the introduction of the presumption so closely tied to the distinctiveness inquiry?

We believe that the answer lies in the unusual nature of the test for distinctiveness and, in particular, in the problems that arise when assessing factual distinctiveness. When seeking to determine whether a mark does in fact distinguish the applicant's goods or services, such that the mark is taken to be capable of distinguishing for the purposes of what are currently s 41(5) or s 41(6) of the *TMA* (soon to be ss 41(4) and (3) respectively), the Office is seeking to determine how consumers respond to the mark. Conceptually speaking, therefore, the question of factual distinctiveness ought to be assessed by reference to *qualitative* material that goes to demonstrate the impact of the use on consumers. Consumer surveys would seem like the most reliable form of evidence that an applicant might lead. In practice, however, surveys are only rarely employed — not only are they expensive for applicants, the Federal Court has also expressed concern about the reliability of survey evidence in a number of recent trade mark cases,¹⁰⁷ meaning that the weight that can be placed upon survey data is somewhat uncertain. Consequently, the Office places most emphasis on *quantitative* material, that is, evidence that goes to such things as the duration of use, the geographical extent of use, turnover figures, advertising expenditure and the like. In other words, the extent of use becomes a proxy for an assessment of consumer response and this in turn means that officials are always going to feel as if they are on somewhat shaky ground when concluding that a mark has acquired distinctiveness. In this respect the Office is facing a genuinely difficult problem and one for which there is no obvious solution. However conceptually attractive it might be to insist that greater use should be made of survey evidence, it must also be recognised, first, that organising a survey would often be prohibitively expensive, particularly for SMEs, and, second, that the concerns that have been expressed about the reliability of survey data have often been well-founded. There is, therefore, a real debate to be had about how factual distinctiveness ought to be assessed. Greater reliance on the fig leaf of the presumption of registrability ought not, however, to form part of the solution.

¹⁰⁷ See, eg, *Woolworths Ltd v BP plc [No 2]* (2006) 154 FCR 97, 124–7 [115]–[122]; *Guylian* (2009) 180 FCR 60, 92 [95], 94–5 [100] (Sundberg J). See generally Vicki Huang, Kimberlee Weatherall and Elizabeth Webster, 'The Use of Survey Evidence in Australian Trade Mark and Passing Off Cases' in Andrew T Kenyon, Ng-Loy Wee Loon and Megan Richardson (eds), *The Law of Reputation and Brands in the Asia Pacific* (Cambridge University Press, 2012).