Case Commentary: Health World vs Shin-Sun Australia

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This recent decision of the High Court of Australia addresses the meaning of "aggrieved" or "person aggrieved" i.e. standing to bring cancellation or removal proceedings against a registered trade mark.

The appellant, Health World Ltd and the respondent, Shin-Sun Australia Pty Ltd, applied to register INNER HEALTH PLUS and HEALTHPLUS respectively as trade marks in class 5 (pharmaceutical products) within months of each other in 2001. In December 2001, Health World failed in opposition proceedings brought against Shin-Sun's trade mark application. In 2003, Shin-Sun filed an opposition against Health World's application but later withdrew the proceedings. Both trade marks were registered within days of each other in February 2005. Health World had been marketing probiotic capsules under the brand INNER HEALTH PLUS since 2000 and in 2001, Shin-Sun began preparing to manufacture and sell natural health supplements under the brand HEALTHPLUS. In August 2004, before either trade mark was registered, a range of products using the HEALTHPLUS brand was launched, however the products did not bear the company name Shin-Sun Australia, but rather an associated company's name, Nature's Hive Pty Ltd.

First Proceeding

In February 2006, Health World began proceedings against Shin-Sun as an "aggrieved" person, seeking cancellation of the HEALTHPLUS registration under s88 of the Australian Trade Marks Act 1995 on the basis that Shin-Sun did not intend to use the mark in Australia. The judge found in favour of Health World, holding that Shin-Sun did not intend to use or authorise the use of the mark in Australia and that Shin-Sun had allowed "HEALTHPLUS" to become deceptive or to cause confusion because the mark was used to identify goods of Nature's Hive, not those of Shin-Sun. However, the judge held that Health World was not an "aggrieved" person under s88 of the Act and therefore dismissed the proceeding.

Second Proceeding

In July 2006, Health World began a second set of proceedings against Shin-Sun as an "aggrieved" person, seeking removal of the HEALTHPLUS registration from the Register under s92 of the Trade Marks Act 1995 on the basis that when Shin-Sun filed its application for registration, it had no intention in good faith to use the mark in Australia and that the mark had not been used (pursuant to s42(b)) by the registered owner within 3 years of the date of registration. The judge found that Nature's Hive (and not Shin-Sun) had used the trade mark within the prescribed 3 year period however dismissed the proceeding on the basis that Health World was not an "aggrieved" person under s92 of the Act.

Third Proceeding

In September 2006, Shin-Sun commenced proceedings against Health World seeking removal of INNER HEALTH PLUS under s92 of the Trade Marks Act 1995 on the basis that it was registered in respect of goods other than those it was in fact used upon. Once again, while the judge found that the ground had been made out, the proceeding was dismissed on the basis that Shin-Sun was not an "aggrieved" person under s92 of the Act.

The above decisions were all upheld by an appeal court following appeals on each.

The Current Proceeding

The High Court found that the appeal court and trial judge had erred in accepting the test set out in Ritz Hotel Ltd v Charles of the Ritz Ltd as an exhaustive test on the issue of standing. That test required a person claiming to be "aggrieved" to show at least a reasonable possibility of being 'appreciably disadvantaged in a legal or practical sense' by the trade mark remaining on the Register." The primary judge had found that there was no evidence before him to show any intention of Health World to use the "HEALTHPLUS" mark other than as part of its existing "INNER HEALTH PLUS" mark, and therefore Health World was not an "aggrieved" person.

The High Court considered that the correct interpretation of "aggrieved" was that of Lord Pearce in "Daiquiri Rum" Trade Mark [1969] RPC 600, that there was no requirement that the applicant desired or intended or "could use" the mark. It was sufficient that the parties were rivals in relation to the goods to which the mark applied and no consideration needed to be given to whether or not the party claiming to be

"aggrieved" intended to use the mark on those goods.

The High Court applied Lord Pearce's test and found that Health World and Shin-Sun were rivals in selling health products and both traded in the class of goods in respect of which the marks were registered. The High Court therefore allowed the appeal and remitted the proceeding to the Full Court of the Federal Court for determination of the remaining issues.

For more information on this case see here. If you wish to discuss litigation and commercial matters, please contact Gus Hazel or Vineetha Veerakumar.