

# Topic 1: Background to the law of IP

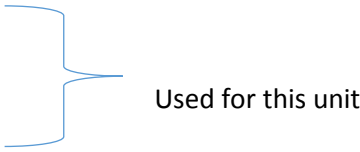
---

## The structure of our intellectual property regime

### International

- International treaties such as *Berne Convention for the Protection of Literary & Artistic Works 1886* and *Agreement on Trade-Related Aspects of Intellectual Property Rights 1994* (TRIPS)
- Bilateral treaties such as Australia-United States Free Trade Agreement of 2004
- Some countries not allowed to enter WTO until they have sufficient IP protection and appropriate remedial system in place

### Domestic

- *Trade Marks Act 1995 (Cth)*
  - *Copyright Act 1968 (Cth)*
  - *Patents Act 1990 (Cth)*
  - *Designs Act 2003 (Cth)*
  - *Plant Breeders Rights Act 1994 (Cth)*
  - *Circuit Layouts Act 1989 (Cth)*
  - *Australian Wine & Brandy Corporation Act 1980 (Cth)*
- 
- Supplemented by common law and equity
    - o Common law action for passing off
    - o Equitable action for breach of confidence
  - Laws are concerned with the processes of information creation and distribution
    - o Sometimes viewed as barriers to the free flow of information in society
    - o Balance the perceived rights of the creator of intellectual property with rights of public to utilise the fruits of human endeavour
      - Welfare of the community or individual effort
    - o Copyright system is a form of monopoly – do not want to give just anyone exclusive control over something

## What is the point of intellectual property regimes?

### From “Report on Intellectual and Industrial Property” Canada, 1971

- The laws create an incentive for individuals and firms to express ideas and protect the goodwill of the enterprise
- Some have specific time limitations; there are some types of knowledge production and processing which have been excluded from the grant of rights
  - o E.g. Einstein’s theory of relativity, General Motor’s divisional system of large-scale organisations
- Balance benefit of promoting knowledge production while deliberately imposing some check on knowledge use
  - o This ‘check’ provides more incentive at the production stage

### From “some Agnostic Observations on Intellectual Property”, D. Vaver

- There are moral and economic motivations for legal protection of intellectual property
- Morally, a person should have a natural right to the products of their brain
  - o Difficult argument, which services should be protected/rewarded? What happens in the case of simultaneous discovery?
- Economically, patents and copyrights are supposed to encourage public disclosure and increase society's pool of ideas and knowledge
  - o Yet many inventions kept secret and the law protects this decision
  - o Does copyright law act as a tool of censorship?
- Current laws encourage research, creativity and financing in the right areas but is this the most effective way to the end? (of availability in society)
  - o If rights restrict availability more than they increase it, they are unjustifiable
  - o Is there a better way of increasing availability and use?

### From “Gower's review of Intellectual Property”, 2006 UK

- Current purpose of intellectual property is to ‘incentivise innovation’
- There are other ways to do this;
  - o Secrecy (discovery kept secret and cannot be ripped off)
  - o Patronage (public or private body funds the intellectual activity)
  - o Prizes (for good ideas)
- There is also an ‘open source’ approach to creativity
  - o Creators allow open access to their products and ideas enable free share of information and development
  - o Transaction costs are kept low and user-driven innovation can flourish
    - E.g. Linux operating system, Firefox internet browser
  - o incentive mechanism for contributors is reputation
  - o disadvantage – financial weakness

### Administration of intellectual property law in Australia

- Responsibility of federal government
  - o Due to s 51(xvii) Constitution
    - Copyrights, patents of inventions and designs, trade marks
  - o Supplemented by external affairs power (s 51 (xxix)), posts and telegraphs power (TV broadcasts) (s 51(v)) and interstate trade and commerce power (ss 51(i) and 51(xxxix))
- Copyright law → Attorney-General's department
- Patents, designs and trademarks → department of innovation, industry, science & research
  - o Sub-department known as Industrial Property Australia (the registration system)

### The court system & remedies for breach

- Federal Court has jurisdiction which is shared with state and territory courts for Part V of the Copyright Act
  - o Appeal to full Federal and then High Court

## Remedies

- Main remedy is injunction to stop the infringing activity
  - o Usually sought at pre-trial interlocutory stage
- Plaintiff must give undertaking as to damages if plaintiff loses at trial
- If plaintiff succeeds, damages or account of profits may also be awarded (but not both)
  - o Damages compensate plaintiff for loss
  - o Account of profits force defendant to disgorge any ill-gotten gains
- Person can seek damages if they are threatened with IP action but it turns out they were not infringing in the first place
- Also order for delivery up of goods, declarations, apologies, removal of infringing treatment

## Difference between intellectual property areas

- Trade marks apply to protect the marketing and reputation of the product (not to protect the actual product)
  - o Similar to general law claim of passing off but not the same (run both claims side by side in a case)
  - o TM = being used as company trade mark; R = registered trade mark
- Copyright does not contain a registration system. Protects form of expression
- Patents protect the technical and scientific area, new inventions. Lawyers assisted by patent attorneys
- In design, only appearance matters. Law does not protect expression, but design only.
  - o Important in industrial and art field for furniture, light fittings etc.
  - o Design of a website or way of doing business do not come within designs act

## To define intellectual property:

- A right over something created
- An exclusive right to use and control
- A species of incorporeal/immaterial property
- Property in an incorporeal thing
- **Intellectual property right created solely by statute**
  - o Exists side by side with common law physical property e.g. copyright in book text (IP) and property in physical book chattel (Property)

# Topic 2: Trade Marks A: Registrability

---

## The concept of a trade mark

- Concerned with the marketing of goods and services and also consumer protection
- Signs or combinations of signs that indicate origin of goods or services, promote the business and give information to the customer
- Identify/differentiate product/service, symbolise goodwill of owner, status symbols (sociological as well as commercial function)
  - o Cultural significance in modern era
    - Vivid metaphors, compelling imagery
- Allow courts and legislature to create standards of acceptable business conduct
- Becoming increasingly valuable in mass advertising age
  - o Trade mark is considered as part of the goodwill of a company
- Registration of trade mark provides statutory protection for the owner of the mark
  - o Operate as property (material of trade), protect the interests of traders
- Can consist of image, graphic, scent, sound or shape
- *Trade Marks Act 1995 (Cth)*
  - o TM = being used as company trade mark; R = registered trade mark

## Registered and unregistered marks

- The only pressure to register a mark is commercial
  - o Unregistered marks are still legitimate
- Sufficient similarity with a previously existing mark (whether registered or not) will deny a new mark registrability
- Once a new mark is registered, owner must remain vigilant to fight off infringing unregistered marks

## How the trade mark system works

### Application

- Made by the person who claims to be the owner, intends to use it, is authorised by another person to use or intends to assign the mark to a body corporate about to be constituted (s 27)
- 'person' includes companies and unincorporated associations (s 6)
- Joint ownership is possible under s 28
- Need to choose which class of goods you want the mark to be registered for
  - o Schedule 1 of regulations – 45 classes
  - o Possible to register for multiple, costs more
- Initial period of registration is 10 years after filing date (s 72(3))
- Should do a search prior to lodging of application to make sure there are no similar marks already registered
  - o Trade mark records

## Registration process

- Registrar has to publish application particulars (s 30)
- Can be rejected only if applicant given opportunity of being heard (s 33(4))
- Acceptance must be advertised in the official Journal (s 34)
- Opponent may file a notice of opposition (s 52)
  - o Must also be given opportunity to be heard (S 54(1))
- Registrar has discretion then to go ahead and register or reject it, with or without conditions and limitations (s 55)
- Registrar may register a trade mark subject to conditions or limitations such as colour (s 70)
- Owner is given a certificate of registration (s 71)
- An applicant may disclaim any exclusive right to use a specified part of the trade mark (s 74)
  - o E.g. want to register 'skinny milk', disclaim the word 'milk' as you are not seeking a monopoly over this word but over the full 'skinny milk' phrase
- Protection runs from date of filing (s 72(1)) – also known as 'priority date' (s 12)
  - o Registrable as at this date – i.e. all criteria must be present
- Only very minor amendment allowed after application has been filed
- Registrar may amend or cancel registration
  - o On own initiative (s 81)
  - o On written request of the owner (s 83) or following a court order (s 85)
- Trade mark may be removed from register for non-use
  - o Aggrieved person can make application for removal under s 92, owner may oppose application under s 96
- A registered trade mark is personal property (s 21)
- Registered owner can deal with it as absolute owner (s 22)
- Can be assigned or transmitted either totally or partially
  - o Must be recorded by Registry under Part 10

\*Under s 129, a person may not make groundless threats of legal proceedings for infringement of a trade mark

## Defeat possible at 3 stages

1. Application stage ss 39-44
  2. Opposition stage ss 57-62A
  3. After registration ss81-90, 92 (cancellation)
- There is a lot of cross-referencing between provisions to be aware of!

## Special types of marks – collective, certification and defensive

- Different to standard marks such as "Deakin"
- Collective trade marks under Part 15 are used by members of an association to distinguish their goods and services from non-members (s 162)
  - o Cannot be assigned and transmitted (s 166)
  - o Owned by association, used by members
  - o E.g. "Queensland Freemasons", "Industry Superfund"
- Certification marks are indications that a person certifies the goods as being of a particular quality, accuracy, origin, material or mode of manufacture (Part 16)

- E.g. Heart Foundation tick
- This type of mark is used by an approved user – owner of the mark or a person allowed by the owner to use the mark (s 171)
- Must be used in accordance with the rules filed by the applicant (s 173)
- Defensive trade marks in Part 17 provide partial protection for famous marks, allowing them to be registered for goods or services in respect of which they are not actually used
  - E.g. Kellogg's, Kleenex, Chanel, Shell
  - Kellogg's writing paper? Nike spas? McDonald's playground equipment?
    - Likely that the use of phrase will be taken to indicate that there is a connection between the other goods and services and the registered owner of the trade mark (s 185(1))

## Is it a 'trade mark'?

### Sign

#### 17 What is a trade mark?

A **trade mark** is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

#### 6 Definitions

**sign** includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent.

- Application will be rejected if trade mark cannot be represented graphically (s 40)
  - In pictures or words or symbols
    - To represent sound → music notes plus recording
    - Scent → description in words (not chemical formula)
      - E.g. 'the smell of bitter beer', 'the sound of a dog barking'
  - Component of movement can be included, include video to go with description of movement
- E.g. shape → toblerone chocolate, cheezel

#### *Coca-Cola Company v All-Fect Distributors Ltd (1999)*

- All-Fect made cola confectionary in a shape similar to the distinctive Coke contour bottle
- Coca-Cola claimed this was an infringement of their registered trade mark
- Full Federal Court held that All-Fect had infringed the trade mark
- Court considered the difference between the trade mark and the goods
- Reference was made to the *Smith Kline* and *French Laboratories* cases
  - Attempt to register appearance of capsules of medicine
- Certain features of the silhouette and shape of the cola lollies served to distinguish them from other goods. Traditional view that trade mark could not be the good itself
- Windeyer J said that a trade mark has to be capable of being described and depicted as something apart from the goods to which it is applied

- A mere description of goods simply by shape, size or colour cannot be a trade mark in respect of those goods
- Where the shape of a good might lead a consumer to conclude that the shape suggests a link between the goods and the manufacturer of those goods, the shape will be considered a registrable trade mark
- Coca-Cola had registered the striking shape of the bottle as a trade mark
- Test was whether the use of the trade mark indicated a connection between the confectionary and All-Fect
  - Consumers would be caused to wonder about the source of All-Fect's products

#### *Koninklijke Philips Electronics NV v Remington Products (2000)*

- There were only 'foil shavers' and 'rotary shavers' on the market in Australia prior to 1997, with Philips being the only rotary shaver manufacturer in Australia for 30 years
- Remington began offering rotary shavers on the Australian market in 1997 and Philips argued that Remington's rotary shaver and related publicity and packaging used as a trade mark a sign substantially identical or deceptively similar to Philips' registered marks
- Court noted the long-held view that a trade mark is something 'extra' or added to goods rather than the goods themselves
- The court found that 'use' in ss 7 and 20 connotes the purpose of a trade mark as a badge of origin. Reproduction of a functional shape is not constitute 'use' in the context of either s 7(4) or 20(1)
- Thus, a shape mark must also be something 'extra' added or applied to the goods in connection with which it is used
  - E.g. a moulding or pressing the mark onto a shaped container
    - The bottle or container is not the primary good being sold but something secondary whose purpose is to contain the goods
- Although the rotary badge was prominent, the Remington brand was also emphasised

\*In summary, you can register the shape as a trade mark as long as it is not the necessary shape of the goods. You can't register the necessary appearance of the goods themselves as they wouldn't be distinctive

### Used or intended to be used

#### *7 Use of trade mark*

- 1) If the Registrar or a prescribed court, having regard to the circumstances of a particular case, thinks fit, the Registrar or the court may decide that a person has used a trade mark if it is established that the person has used the trade mark with additions or alterations that do not substantially affect the identity of the trade mark.

*Note: For prescribed court see section 190.*

- 2) To avoid any doubt, it is stated that, if a trade mark consists of the following, or any combination of the following, namely, any letter, word, name or numeral, any aural representation of the trade mark is, for the purposes of this Act, a use of the trade mark.
- 3) An authorised use of a trade mark by a person (see section 8) is taken, for the purposes of this Act, to be a use of the trade mark by the owner of the trade mark.

- 4) In this Act: use of a trade mark in relation to goods means use of the trade mark upon, or in physical or other relation to, the goods (including second-hand goods).
- 5) In this Act: use of a trade mark in relation to services means use of the trade mark in physical or other relation to the services.

### 8 Definitions of authorised user and authorised use

- 1) A person is an authorised user of a trade mark if the person uses the trade mark in relation to goods or services under the control of the owner of the trade mark.
- 2) The use of a trade mark by an authorised user of the trade mark is an authorised use of the trade mark to the extent only that the user uses the trade mark under the control of the owner of the trade mark.
- 3) If the owner of a trade mark exercises quality control over goods or services:
  - a. Dealt with or provided in the course of trade by another person; and
  - b. In relation to which the trade mark is used; the other person is taken, for the purposes of subsection (1), to use the trade mark in relation to the goods or services under the control of the owner.
- 4) If:
  - a. A person deals with or provides, in the course of trade, goods or services in relation to which a trade mark is used; and
  - b. The owner of the trade mark exercises financial control over the other person's relevant trading activities; the other person is taken, for the purposes of subsection (1), to use the trade mark in relation to the goods or services under the control of the owner.
- 5) Subsections (3) and (4) do not limit the meaning of the expression under the control of in subsections (1) and (2).

- Registration can be obtained before the mark has actually come into use as long as there is a real intention to use it
- '...having some definite and present intention to deal in certain goods or descriptions of goods, not a mere general intention of extending business at some future time to anything he might think desirable' (*Re Batt*)
- Lack of intention to use a mark is a ground on which the application may be opposed (s 59)
- Vulnerable to cancellation if non-use (s 92 'aggrieved person')
  - o 'Applicant for registration had no intention in good faith to use the trade mark...'
- In *Imperial Group Ltd v Philip Morris (1980)*, a ghost mark was registered to prevent the registration or use of a similar mark
  - o 'Merit' was unable to be registered as it was too descriptive, so they registered 'Nerit' to prevent anyone registering Merit due to deceptive similarity
  - o 'did not intend to use that mark for the purposes of indicating a connection in the course of trade between them and cigarettes sold under that name'
- Although in *Aston v Harlee* the High Court stated 'a manufacturer of (say) confectionery would...be entitled to register three trade marks in relation to confectionary, though he intended to use only two of them and had not made up his mind as to which two he would use'



## Goods or services

- Can be registered for goods and/or services (s 19)
- Classes of goods in schedule 1 of regulations
- The words 'in relation to the goods' in s 7(4) emphasises that the trade mark is not the actual good

## Provided in the course of trade

- Would have to be for profit in the long run, but could be giving away of samples
- But a line must be drawn between the preliminary activities and trading activities
- Using mark on goods during market research is probably not in course of trade
- From Oakley Inc v Franchise China (2003)
  - o 'trade' includes sale and purchase of marked goods
  - o Advertisement, distribution of samples and brochures

## Can the trade mark be registered? – Distinctiveness

### 41 Trade mark not distinguishing applicant's goods or services

- 1) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (the designated goods or services) from the goods or services of other persons.

*Note: For goods of a person and services of a person see section 6.*

- 2) A trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons only if either subsection (3) or (4) applies to the trade mark.
- 3) This subsection applies to a trade mark if:
  - a. The trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons; **and**
  - b. The applicant has not used the trade mark before the filing date in respect of the application to such an extent that the trade mark does in fact distinguish the designated goods or services as being those of the applicant.
- 4) This subsection applies to a trade mark if:
  - a. The trade mark is, to some extent, but not sufficiently, inherently adapted to distinguish the designated goods or services from the goods or services of other persons; **and**
  - b. The trade mark does not and will not distinguish the designated goods or services as being those of the applicant having regard to the combined effect of the following:
    - i. The extent to which the trade mark is inherently adapted to distinguish the goods or services from the goods or services of other persons;
    - ii. The use, or intended use, of the trade mark by the applicant;
    - iii. Any other circumstances.

*Note 1: Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:*

- a. *The kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or*
- b. *The time of production of goods or of the rendering of services.*

*Note 2: For goods of a person and services of a person see section 6.*

*Note 3: Use of a trade mark by a predecessor in title of an applicant and an authorised use of a trade mark by another person are each taken to be use of the trade mark by the applicant (see subsections (5) and 7(3) and section 8).*

- 5) For the purposes of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be a use of the trade mark by the applicant.

*Note 1: For applicant and predecessor in title see section 6.*

*Note 2: If a predecessor in title had authorised another person to use the trade mark, any authorised use of the trade mark by the other person is taken to be a use of the trade mark by the predecessor in title (see subsection 7(3) and section 8).*

- Trade mark must have either inherent adaptability to distinguish or factual distinctiveness to be registrable
- Registrar must weigh up sub (4) factors if only has inherent adaptability to some extent (not wholly)

#### When is a mark NOT CAPABLE of distinguishing?

- Only if sub section 3 or 4 apply
- 3(a) If mark is totally INHERENTLY UNADAPTED; **and**
- 3(b) it had no ACQUIRED/FACTUAL distinctiveness (i.e. distinctiveness through use)
- It is no good, not capable of distinguishing, do not register
- 4 if it is to some extent inherently adapted to distinguish; **but**
  - o It won't actually distinguish the goods or services (given it and the circumstances of its use etc.)
  - o Then it is no good, not capable of distinguishing, do not register

#### Inherently adapted to distinguish

- Whether the mark is unique or unusual for the goods in questions
  - o E.g. Rosella → tomato sauce
- Other traders, without improper motive, will not want to use the mark or something similar in their ordinary course of business
  - o Words or phrases are not monopolised

#### Place names

- A geographical name can be used as a trade mark where by reason of some other circumstances, its distinctiveness eclipses its primary significance
- In the 'Farah' Trade Mark (1978) case, the court said that if a place name is unlikely to be known to a person in the country where registration is sought, then registration of the name can go ahead, all other things being equal
- A mark may be opposed if it indicates a false geographical origin for goods (s 61)

#### Clark Equipment Co v Registrar of Trade Marks (1964)

- Clark Equipment manufactured and sold heavy machinery in Michigan
- Had registered trade mark for 'Michigan' in US and applied for same registration in Australia
- Registration was refused on the grounds of geographical significance of the mark 'Michigan'

- The mark 'Michigan' was not inherently adapted to distinguish as it was a geographical reference to the state of Michigan where the goods at issue originated from
- Even though the mark had been used as an unregistered mark for more than 20 years, a mark may be unregistrable based on its lack of inherent adaptation to distinguish despite evidence of extensive use resulting in widespread recognition of the mark
- Test adopted: what is the likelihood that other persons trading in goods of the relevant kind and being actuated by proper motives, will think of the word and want to use it in connection with similar goods?
  - o Trade mark should in no way describe good or service
  - o Likely that other manufacturers would want to use 'Michigan' in their products as it is a big industrial zone, their goods might come from there too

### Descriptive words

- The word 'Whopper' in relation to hamburgers was held not to be inherently adapted to distinguish the products (*Burger King v Registrar (1973)*)
  - o Laudatory – praises the goods, not allowed to use these phrases (someone else may legitimately want to use this word)

### *Mark Foy's Ltd v Davis Coop & Co Ltd (1956)*

- Plaintiff had registered trademark 'Tub Happy' in relation to clothes
- Defendant sought to use 'Tub Happy Cotton Fresh' for its Exacto brand in its descriptive sense (to mean easily washable)
- In previous cases, words such as 'Matorine' for lubricating oils and 'Oomphies' in relation to shoes were registrable
- Court will not allow applicant to have monopoly over that word or phrase, but where it is 'exceedingly uncommon' by comparison, different considerations apply
- An ordinary person would not immediately realise that the quality of the garments are easily washable upon reading 'Tub Happy'
  - o Look at the effect of the words on the ordinary consumer – 'Tub Happy' does not make a direct reference to the quality or characteristic of washability, nor is the usage of the words a known reference
  - o Emotive tendency, no tangible meaning
  - o Not a common phrase, infringement found

### Devices

- Device is a picture of some kind
- Can be in combination with words or not
- Can be simple geometric sign or complex drawing
- Spring depiction for mattress products refused registration as would grant a monopoly (*Eclipse Sleep v Registrar (1957)*)
  - o Anybody in that industry would want to use it
- Signatures are likely to be distinctive
  - o Addition of an image or emblem to non-distinctive word may make it inherently adapted to distinguish
  - o The more illegible the more likely to be registrable – how unusual is the name/mark when taken as a whole?

- Frequency of the name will be checked on the electoral roll – needs to appear less than 750 times

#### Invented words

- Does not mean automatically inherently adapted to distinguish
- Does it deprive a member of the community of the right to use the existing vocabulary as he or she might be expected to want to do in relation to the same goods or services
- Failed registration;
  - ROHOE for rotary hoe, ABSORBINE, ARSENOID, PANORAM, UNEEDA BISCUIT
  - Mere misspelling or swapping some letters around in a word may fail

#### Shapes

- In *Kenman Kandy Pty Ltd v Registrar (2002)*, lollies in the shape of bug creatures were held to be inherently adapted to distinguish the lollies
  - Although bug shape is suggestive of insect life, is not the shape of a specific insect or bug
  - Could be an extra-terrestrial object were it not for the packet description
  - Appellant was not getting a monopoly over all bug or insect shapes, only this particular shape and any substantially identical or deceptively similar shapes

#### Colours

- Caution must be exercised when claiming colour marks
- Many businesses may innocently use it
- Colour must be used to distinguish products and not as a mere ornamentation or decoration (*Woolworths v BP (2006)*)
  - Public must associate the colour with the products and services in question
  - The public did not associate green painted service stations with BP

#### To some extent inherently adapted

- Quality of evidence produced in court determines this issue
- Registrar may take other factors into account
- For example in *Re Application by Kamyr (1996)* for phrase 'LO-SOLIDS' there was some inherent adaptability to distinguish but it was rejected due to intended use and other circumstances in s 41(5)
  - The spelling of the word took it out of the category of pure description (but this is one element)
  - Applicant provided evidence of registration of trade mark in US – this was relevant but not enough information

#### Acquired or factual distinctiveness

- Acquired is a de facto distinctiveness which comes into being when an unregistered mark has existed for so long or has received such publicity that the public associates it with one product
- Factual is established on the basis of evidence of use

### *Blount Inc v Registrar (1998)*

- Registrar rejected Blount's application for 'Oregon' to describe its range of chainsaw accessories, workshop equipment and hand tools
- Based decision on fact that US state of Oregon's leading industry was forest-products, likely that other traders would want to use the word
- Court determined that trade mark was not inherently adapted to distinguish the goods
- However due to extent it has been used, has acquired distinctiveness
- Evidence of promotion and use does not, without more, demonstrate distinctiveness
  - o Blount gave evidence from customers, wholesalers and retailers that they associated the word 'Oregon' with the products in the industry in affidavit
- Not necessary that a statistically sound market survey be undertaken
- Had been in Australia since 1960's
- Court found factual distinctiveness

### *Ocean Spray Cranberries Inc v Registrar (2000)*

- Ocean Spray sought to register 'Cranberry Classic' as a trade mark
- Rejected due to descriptive nature
- Product had only been on market for 2.5 years, was promoted under the name 'Ocean Spray'
- Cranberry Classic label was on bottle in same location as other drink flavour descriptions in that range
- Court upheld Registrar's rejection
- Had no inherent adaptability to distinguish – did it have factual distinctiveness?
- Not sufficient simply to prove use of the mark, it must be used as a 'trade mark'. Although Ocean Spray had used the words 'Cranberry Classic' on its prominently branded 'Ocean Spray' products for several years, the Court held that the evidence failed to establish a connection between the words 'Cranberry Classic' and Ocean Spray fruit juices. It was considered more in line with descriptive terms on the label
- All evidence that the mark will not create an impermissible monopoly should be adduced

## Can the mark be registered? – Other restrictions

### Prohibited signs 39

#### *39 Trade mark containing etc. certain signs*

- 1) An application for the registration of a trade mark must be rejected if the trade mark contains or consists of a sign that, under regulations made for the purposes of section 18, is not to be used as a trade mark.
- 2) An application for the registration of a trade mark may be rejected if the trade mark contains or consists of:
  - a. a sign that is prescribed for the purposes of this subsection; or
  - b. a sign so nearly resembling:
    - i. a sign referred to in paragraph (a); or
    - ii. a sign referred to in subsection (1);as to be likely to be taken for it

- Regulations do not affect any trade mark that was a registered trade mark or is an unregistered trade mark being used in good faith, prior to 1995 regulations (s 18)
  - o No prohibited trade marks have yet been made
- May be rejected if prescribed sign

#### 4.15 Trade marks containing etc. certain signs

For the purposes of paragraph 39(2) (a) of the Act (which deals with signs), the following signs are prescribed:

- a) the words 'Patent', 'Patented', 'By Royal Letters Patent', 'Protected International Trade Mark', 'Registered', 'Registered Design', 'Copyright', 'Plant Breeder's Rights', 'EL rights', or words or symbols to the same effect (including the symbols '©' and '®');
- b) the words 'To counterfeit this is a forgery', or words to the same effect;
- c) a representation of the Arms, or of a flag or seal, of the Commonwealth or of a State or Territory;
- d) a representation of the Arms or emblem of a city or town in Australia or of a public authority or public institution in Australia;
- e) a representation of a mark notified by the International Union for the Protection of Industrial Property as not entitled to registration under international arrangements;
- f) a sign specified in Schedule 2
  - a. (these are) Austrade, C.E.S., Olympic Champion, Repatriation, Returned Airman, Returned Sailor, Returned Soldier

- Trade mark cannot be accepted for registration if it cannot be represented graphically (s 40)
- Must be rejected if it contains scandalous matter or use is contrary to law (s 42)
  - o If will offend ordinary person or ordinary person of religious group etc.
  - o E.g. "Jesus" for jeans, "Mecca" for women's clothing
  - o Cannot use 'Pty Ltd' or 'incorporated' if not registered under *Corporations Act*

#### Deceptive or confusing marks

##### 43 Trade mark likely to deceive or cause confusion

An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

- Falsely suggesting some quality or geographic origin, association with governmental or other bodies (e.g. celebrity)
- Connotation must be contained within the mark – not to be compared with others (that is s 44 – deception or confusion arise from the comparison)

##### 44 Identical etc. trade marks

- 1) Subject to subsections (3) and (4), an application for the registration of a trade mark (applicant's trade mark) in respect of **goods** (applicant's goods) must be rejected if:
  - a. the applicant's trade mark is substantially identical with, or deceptively similar to:
    - i. a trade mark registered by another person in respect of similar goods or closely related services; or

- ii. a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
- b. the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

*Note 1: For deceptively similar see section 10.*

*Note 2: For similar goods see subsection 14(1).*

*Note 3: For priority date see section 12.*

*Note 4: The regulations may provide that an application must also be rejected if the trade mark is substantially identical with, or deceptively similar to, a protected international trade mark or a trade mark for which there is a request to extend international registration to Australia: see Part 17A.*

- 2) ... (same wording as above but for **services**)

### *10 Definition of deceptively similar*

For the purposes of this Act, a trade mark is taken to be deceptively similar to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.

### *14 Definition of similar goods and similar services*

- 1) For the purposes of this Act, **goods** are similar to other goods:
  - a. If they are the same as the other goods; or
  - b. if they are of the same description as that of the other goods.
- 2) For the purposes of this Act, **services** are similar to other services:
  - a. if they are the same as the other services; or
  - b. if they are of the same description as that of the other services.

#### *Southern Cross Refrigerating v Toowoomba Foundry Pty Ltd (1954)*

- There was an application for use of the mark 'Southern Cross' in relation to refrigerators and refrigerator parts
- Southern Cross was already registered in relation to well-drilled machinery, milking machines, engines and windmills
- Court opposed it on the basis of substantial identity and deceptive similarity between the marks
- 1) There must be a real, tangible danger of confusion/deception
  - a. How mark will be used, how product will be bought and sold, character of the probable purchasers of the good
  - b. Will an ordinary person entertain a reasonable doubt as to origin of goods?
- 2) All surrounding circumstances have to be taken into consideration
  - a. How mark will be used, how product will be bought and sold (same or different shops), character of the probable purchasers of the good (i.e. sophisticated purchaser who has done prior research)
- 3) The rights of the parties are to be determined as at the date of the application
  - a. Must also look at present and future possible applications
- The respondent had used the mark in business for many years and these products have often been sold in the same stores
- A number of people would be cause to wonder whether these two products come from the same source

- When looking at whether goods are of the same description (for s 44) look at: nature of the goods, origin, purpose, manufacturer, distribution channels, retail, seasons, classes of customers, whether same trade for distributors/manufacturers
- Refrigerators and drilling machinery not similar enough

### Gallow case, beer and wine goods of same description

#### Closely related

- **Only** use phrase when comparing goods & services
- Examples from Caterpillar Loader Hire v Caterpillar Tractor Co (1983)
  - o Data processing equipment and programs for their operation
  - o Curtains/furnishing materials and sewing of curtains
  - o Clothes and tailoring
- Relationship between goods and services defined by the function of the service with respect to the goods (Registrar v Woolworths (1990))

#### Imperfect recollection

- Courts take into account that consumers will rarely see the marks side by side
  - o But how likely is the mark to stick in the memory of the consumer?
- In Jafferjee v Scarlett (1937) two drawings of athletes finishing a race and other of two javelin throwers, were held to have a real and substantial similarity as purchasers often describe a mark in order to obtain the same goods they previously bought. A customer describing the mark as 'two runners' creates confusion
- Idea of the mark: elements of the mark that stay in the mind of the ordinary person

#### *Berlei Hestia Industries v The Bali Co (1973)*

- Deception or confusion may arise because of phonetic similarity between the signs ('Bali Bras' and 'Berlei Bras')
- Question of deception or confusion is determined by reference to the possible use of the mark (not actual)
- Even though Berlei bras were inexpensive, mass produced and sold in different types of shops, that did not prevent the highly deceptive similarity to "specialty" Bali bras
- The Bali Co could extend their trade to the mass-produced market if they so desired

#### Honest concurrent and continuous use

##### *Section 44 continued...*

- 3) If the Registrar in either case is satisfied:
  - a. that there has been honest concurrent use of the 2 trade marks; or
  - b. that, because of other circumstances, it is proper to do so; the Registrar may accept the application for the registration of the applicant's trade mark subject to any conditions or limitations that the Registrar thinks fit to impose. If the applicant's trade mark has been used only in a particular area, the limitations may include that the use of the trade mark is to be restricted to that particular area.

*Note: For limitations see section 6.*



4) If the Registrar in either case is satisfied that the applicant, or the applicant and the predecessor in title of the applicant, have continuously used the applicant's trade mark for a period:

a. beginning before the priority date for the registration of the other trade mark in respect of:

i. the similar goods or closely related services; or

ii. the similar services or closely related goods; and

b. ending on the priority date for the registration of the applicant's trade mark; the Registrar may not reject the application because of the existence of the other trade mark.

*Note 1: An authorised use of the trade mark by a person is taken to be a use of the trade mark by the owner of the trade mark (see subsection 7(3)).*

*Note 2: For predecessor in title see section 6.*

*Note 3: For priority date see section 12.*

- Under s 44(3) and 44(4), it is possible to have conflicting marks accepted for registration in cases of honest concurrent use, prior & continuous user (registration cannot be rejected) or other circumstances (Registrar discretion)

#### *Pirie & Sons Ltd's Application (1933)*

- Hammermill had been a registered mark for writing paper for 13 years
- Abermill had used their mark for writing paper for 6 years, sought registration
- Court allowed registration due to honest concurrent use
  - o Possibility of confusion was minimal
  - o Choice of the word Abermill was honestly made
  - o 5 years honest concurrent use had been proved
  - o Abermill had a large and increasing trade, Hammermill did not have a large trade
- If registration were rejected, significant hardship would be suffered by Abermill
- This outweighed the hardship of Hammermill's interest if registration were granted
- Hammermill could have exercised infringement action earlier on when Abermill first came onto the market

# Topic 3: Trade Marks B: Ownership, opposition, rights, infringement

---

- Opposition to registration of trade marks by third parties becomes relevant after Registrar has accepted an application but before the registration has gone through

## Who can apply? – Ownership of trade marks

- S 27(1) → if 'the person claims to be the owner of the mark' (and intends to use - see topic2)
- S 58 allows opposition 'on the ground that the applicant is not the owner of the trade mark'
- The goods/services the trade mark is being used for must be sufficiently close to the goods/services the application is made for
  - o 'the same kind' of goods or services (*Re Hicks' Trade Mark (1987)*)
- Trade mark may be used unconsciously, as long as the trade mark owner was originally the person who authorised the use (*E & J Gallo Winery v Lion Nathan Australia Pty Ltd (2010)*)
  - o Without the knowledge or intention of the person claiming to own the mark e.g. where goods are imported and put in trade by a retailer

## What constitutes use for ownership purposes?

### *Aston v Harlee Manufacturing Co (1960)*

- Harlee owned 'Tastee Freez' trade mark in US
- Entered discussions with Aston to open Australian franchise
- No Australian franchise resulted
- Harlee opposed Aston's application for 'Tastee Freez' trademark as they were not the owner
- Court said unless fraud or breach of confidence were at issue, an applicant could be the owner of the trade mark in Australia even though they were not the owners of the registration in a foreign country
- In order to be the owner, the author doesn't need to be the inventor or the first to think of that mark
  - o **Applicant must prove they are the first to use this kind of mark on this kind of goods in Australia as a trade mark**
  - o Use may be without the knowledge or intention, see *E & J Gallo* above
    - Prior use in Australia may be very slight
  - o Same 'kind' e.g. hatchets and axes (look the same, do the same thing) not handbags and backpacks (don't have same function, used in different context, carry items in different way) (*Colorado v Strandbags*) – not the same concept as goods of the same description (*Southern Cross*)
- Aston was entitled to file application and had priority over Harlee
- Harlee argued that Aston did not intend to use the mark in Australia, purely block their application
- Mere discussions or negotiations about whether a trade mark could be used in Australia is not sufficient to amount to use of the mark in Australia

- Court found even if Aston had wanted to block any application by Harlee for trade mark protection, they also contemplated using 'Taste Freez' as a trade mark and that was enough to satisfy requirement for genuine use in Australia

#### *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2) (1984)*

- Loew's had used the mark 'KENT GOLDEN LIGHTS' for test sales in the US and Belgium
- Philip Morris owned the 'KENT' mark so the two companies had held discussions regarding the terms of that license and the proposed use
- Moorgate acquired Loew's afterwards and applied to register the mark of 'GOLDEN LIGHTS'
- Court held there was no intention to use the mark in Australia
  - o Must be public use to indicate connection between the goods and the person in course of trade
- Samples had been provided to Australian representatives but these were not intended to be used in connection with goods offered for sale in Australia
- Court said actual trade in the goods need not have occurred but that at a minimum the goods bearing the marks should have been offered for sale in Australia
- Use need not be enough to establish reputation but must be possible to identify an actual trade or offer to trade in the goods bearing the mark or existing intention to offer or supply such goods in trade

#### Online trade mark use

- Use of trade mark on internet, uploaded outside of Australia is not use of the mark in each jurisdiction where the mark is downloaded. Needs to be shown an intention to direct or target a particular jurisdiction with that use (*Ward Group Pty Ltd v Brodie & Stone PLC (2005)*)
  - o Intend to use trade mark in that jurisdiction
  - o Must target Australian buyers to come under Australian jurisdiction (*Ward v Brodie*)

#### Opposition to registration

- Registrar publishes particulars of application (s 30) → Registrar then goes on to accept or reject the application (s 33-34) → Other parties now have knowledge of the trade mark and opportunity to oppose it if it has been accepted
- File notice of opposition under s 52
- Opponent and applicant must both have opportunity to be heard in the opposition proceedings (s 54)

#### Grounds the mark can be opposed (ss 57-62)

- Extend opposition at registration provisions (s 57) (see previous topic - ss 39-44)
  - o Contains certain signs not to be used (s 39)
  - o Cannot be represented graphically (s 40)
  - o Not capable of distinguishing (s 41)
  - o Scandalous or contrary to law (s 42)
  - o Carries a connotation that is confusing (s 43)
  - o Deceptive or confusing compared with another registered trade mark (s 44)
- Applicant not owner (s 58 – together with s 52)

- Prior and continuous use by other owner (s 58A – once accepted under s 44(4))
- Use or assignment not intended in Australia (s 59)
- Confusion with a well-known mark (s 60)
- False geographical origin (s 61)
- Application was defective/false representation (s 62)
- Application was made in bad faith (s 62A)

#### Section 58A- Prior and continuous use by opponent

- Section only applies to trade marks accepted because of prior and continuous use under section 44(4)
- Opponent claims that its use of the mark (or a similar mark) for similar goods or closely related services, was earlier and has also been continuous

#### Section 60 – confusion with a well-known mark

- Where another trade mark has acquired a reputation in Australia and the second mark will be likely to deceive or cause confusion
  - o Reputation tested by public opinion e.g. a market survey
  - o Can be **any trade mark, registered or not**
- Goods/services do not need to be similar
- Does not need to be substantially identical nor deceptively similar, simply factual confusion
- A mark which has acquired a reputation sufficient to raise a s 60 objection would be the type of mark which would qualify for registration as a defensive mark

#### Section 61 – false geographic indication

- Opposition on basis that trade mark contains or consists of a sign that is a geographical indication for goods (not services), indicating country/region/locality from which goods did not originate
- Only applies if trade mark goods are similar to 'designated goods'
  - o E.g. Edam or Gouda for Australian cheese, Hunter Valley for wines

#### Partial objections

- These are possible for example where registration is made but not for particular classes of goods or services
  - o E.g. 'Doopa' can be used for confectionary but not ice confectionary where it conflicts with 'Zoooper Dooper'
- Applicant may also disclaim any exclusive right to use or authorise the use of a specific part of the trade mark (s 74)
  - o Fends off opposition to registration – disclaimer may be a condition for the withdrawal of opposition
  - o A disclaimer properly made may not be revoked (s 74(4))

#### Renewal

- Registration expires 10 years after filing date (s 72(3))
- Prior to expiry, person may ask Registrar to renew (s 75)
  - o Renewal is for 10 years from original expiry date (s 77)
- If no renewal, mark removed from register 6 months after expiry (s 78)

- Open to renewal in this time (s 79)
- Indefinite registration is a privileged part of intellectual property

## Rights and infringement

### 20 Rights given by registration of trade mark

- 1) If a trade mark is registered, the registered owner of the trade mark has, subject to this Part, the exclusive rights:
  - a. to use the trade mark; and
  - b. to authorise other persons to use the trade mark; in relation to the goods and/or services in respect of which the trade mark is registered.

*Note 1: For registered owner see section 6.*

*Note 2: For use see section 7.*

*Note 3: In addition, the regulations may provide for the effect of a protected international trade mark: see Part 17A.*

- 2) The registered owner of a trade mark has also the right to obtain relief under this Act if the trade mark has been infringed.

*Note: For what amounts to an infringement of a trade mark see Part 12.*

- 3) The rights are taken to have accrued to the registered owner as from the date of registration of the trade mark.

*Note: For date of registration see section 6.*

- 4) If the trade mark is registered subject to conditions or limitations, the rights of the registered owner are restricted by those conditions or limitations.

*Note: For limitations see section 6.*

- 5) If the trade mark is registered in the name of 2 or more persons as joint owners of the trade mark, the rights granted to those persons under this section are to be exercised by them as if they were the rights of a single person.

- S 20 outlines that if another person does any act which is among the exclusive rights (s 21) of the owner of the trade mark, infringement will occur. S 120 defines infringement
- S 20 refers to exact trade mark, s 120 refers to substantial identity or deceptive similarity
  - S 120 is seen to supplement s 20 (*Angoves Pty Ltd v Johnson (1982)*)
- Substantial identity and deceptive similarity approached the same was as in relation to registrability
- Note s 120(2) defence if applicant can prove that even though trade mark may be similar, there is no likelihood of confusion or deception
  - Court will look at reality of the situation

### 120 When is a registered trade mark infringed?

- 1) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

*Note 1: For registered trade mark see section 6.*

*Note 2: For deceptively similar see section 10.*

*Note 3: In addition, the regulations may provide for the effect of a protected international trade mark: see Part 17A.*

- 2) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:
- a. goods of the same description as that of goods (registered goods) in respect of which the trade mark is registered; or
  - b. services that are closely related to registered goods; or
  - c. services of the same description as that of services (registered services) in respect of which the trade mark is registered; or
  - d. goods that are closely related to registered services.

However, the person is not taken to have infringed the trade mark if the person establishes that using the sign as the person did is not likely to deceive or cause confusion.

*Note 1: For registered trade mark see section 6.*

*Note 2: For deceptively similar see section 10.*

*Note 3: In addition, the regulations may provide for the effect of a protected international trade mark: see Part 17A.*

- 3) A person infringes a registered trade mark if:
- a. the trade mark is well known in Australia; and
  - b. the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:
    - i. goods (unrelated goods) that are not of the same description as that of the goods in respect of which the trade mark is registered (registered goods) or are not closely related to services in respect of which the trade mark is registered (registered services); or
    - ii. services (unrelated services) that are not of the same description as that of the registered services or are not closely related to registered goods; and
  - c. because the trade mark is well known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and
  - d. for that reason, the interests of the registered owner are likely to be adversely affected.

*Note 1: For registered trade mark see section 6.*

*Note 2: For deceptively similar see section 10.*

*Note 3: For well known in Australia see subsection (4).*

*Note 4: In addition, the regulations may provide for the effect of a protected international trade mark: see Part 17A.*

- 4) In deciding, for the purposes of paragraph (3)(a), whether a trade mark is well known in Australia, one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason.

*Shell Company of Australia Ltd v Esso Standard Oil (1963)*

- Esso owned two trademarks featuring a 'humanised oil-drop' which it used extensively at service stations and in advertisements

- Shell ran cartoon films promoting its products featuring a personified oil-drop character
- Two issues: were the figures 'deceptively similar' and was Shell's use 'as a trade mark'?
- Court concluded that Shell was not using the character to distinguish Shell's products but to identify the composition of Shell's products
  - o Looked at film as a whole rather than single frame
- Test for similarity: whether 'compared side by side, their similarity and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison'
  - o Compare side by side, look at similarities and differences
  - o Consider the importance of the similarities and the differences
  - o What are the essential features of the mark?
  - o What is the total impression given?
- Shell's oil-drop figure had 'fleeting glimpses of substantial identity' during the film
  - o Not sufficient to find Shell's figure was substantially identical to Esso's registrations
  - o Esso man was static, Shell man was active
  - o Comparing side by side meant looking at impression based on recollection of Esso mark (that persons of ordinary intelligence and memory would have) and impressions gained from TV animation
- Court found Shell was not using as a trade mark either
- In *Polaroid Corporation v Sole N Pty Ltd (1981)*, 'Polaroid' & 'Solaroid' were found to convey different features and so were not found to be substantially identical
  - o First letter is an essential feature of the two words and it is different so not substantially identical
  - o They are deceptively similar
  - o Given attention to what is essential, the stand out features of a mark
- In *Dial An Angel Pty Ltd v Sagitaur Services (1990)*, although 'Dial An Angel' and 'Guardian Angel' differed in sound, appearance and conveyed different and additional words, they were found to be deceptively similar based on the essential features of the logos
  - o Both were child care providers and had angels with children in their care as logos
  - o Words and logos combined were closely related

*Starr Partners Pty Ltd v Dev Prem Pty Ltd (2007) – Full Federal Court*

- Starr Partners were real estate agents in NSW with 'Starr Partners' and star device as trade mark
- Dev Prem carried on a real estate agency in QLD with the unregistered 'Star Realty' and star device trade mark
- Test for deceptive similarity is one of 'imperfect recollection, measured against a standard of side by side comparison'
- Full Federal Court determined the trade marks were deceptively similar and there was a trade mark infringement
- The essential features of both were the star device, the initial capital 'S' and the idea or concept of a star
- Starr had drawn attention away from 'Starr' as a family name by incorporating a star device

- Inessential features of the mark were 'Partners' and 'Realty'
  - o Such words are non-distinctive in the context of real estate services and they will be readily dismissed by the hypothetical observer
  - o Differences between the two were not distinctive enough
- Look at impression given by entire mark. Does a feature deserve particular attention?
  - o Think about pronunciation if oral use likely
  - o Think only about the mark as registered (not the mark as sometimes used)
  - o Take imperfect recollection into account

### Use as a trade mark

- S 120 'uses as a trade mark...in relation to goods or services in respect of which [it] is registered'
- **Whether infringement has occurred depends on how the mark is being used**
- Refer back to s 7 use of a mark (topic 2)
- S 17 use as a trade mark would have to be use which performs the function of distinguishing goods or services dealt with or provided in the course of trade
- Doubt may arise where the mark is used as a name (Hoover to do the vacuuming, pass me a Kleenex), in a descriptive way (what a whopper), on second hand goods, in comparative advertising (better than a Falcon) or simply as a slogan (Just do it)
- Refer back to *Shell Australia v Esso*, why not 'use as a trade mark'

### To which manufacturer does the mark have to refer?

- Is the mark used to indicate the origin of the goods since that is the use to which the registered owner has an exclusive right?
- From *Mark Foy's v Davies Coop* ('tub happy' case)
  - o Difference between defendants advertising that their Exacto cotton frocks washed as well as the plaintiff's Tub Happy frocks (no infringement) and advertising the words 'Tub Happy' emphasizing them in relation to their own cotton garments for the purpose of indicating a connection in the course of trade between the goods and themselves
  - o Public not being invited to compare the goods but to purchase goods of the defendants which are to be distinguished from the goods of other traders
- In *Top Heavy Pty Ltd v Killin (1996)*, Killin's use of Top Heavy's 'CHILL OUT' trademark on its t-shirts was not an infringement. It was not used to distinguish the goods but rather an artistic interpretation of the mark (slightly tilted, more elaborate design)

### Re *Johnson & Johnson v Sterling Pharmaceuticals*

- Johnson & Johnson used the word 'caplets' on its own packaging as a way to name that certain type of packaging
- Infringement will occur if the use of the trade mark is as a trade mark
- Look at 'purpose and nature' of impugned use
- Court held it was not an infringement. It was descriptive of the packaging/presentation of the goods, not being used to indicate origin or connection with a business
- Primary function of a trade mark is to distinguish the commercial origin of goods & services



- Also has a descriptive or indicating function. E.g. when customer buys a 7UP, they know they are not getting a cola drink. The drink bearing that mark owes its formulation and quality to a particular organisation
- Secondary function is advertising or marketing function, business goodwill, consumer product identification

### Well known marks

- A mark can be infringed even though infringement is on goods or services unrelated to that which they are registered
- See s 120(3) &(4)
- Must be well-known mark and likelihood that the interests of the registered owner will be adversely affected
  - Must be well-known + registered mark
- Evidence that a mark is well-known:
  - Sales figures, advertising budgets, sample advertisements, history of sales
- Marks that would be sufficiently well known:
  - VEGEMITE, ARNOTTS, FOSTERS, BONDS, BRADMAN, SPEEDO, MCDONALDS, COCA COLA, PEPSI, SONY, NIKE

### Second-hand goods

*123 Goods etc. to which registered trade mark has been applied by or with consent of registered owner*

- 1) In spite of section 120, a person who uses a registered trade mark in relation to goods that are similar to goods in respect of which the trade mark is registered does not infringe the trade mark if the trade mark has been applied to, or in relation to, the goods by, or with the consent of, the registered owner of the trade mark.

*Note: For similar goods see subsection 14(1).*

- 2) ...(as above but in relation to services)

*Note: For similar services see subsection 14(2).*

- Sale of second hand goods which bear their original trade mark is not likely to be held to be an infringing use of the original registered mark
  - Use of the goods does not infringe statute as it is a descriptive use, not trade mark use (*Johnson & Johnson v Sterling Pharmaceuticals (1991)*)
- Note s 121 which empowers a proprietor of a trade mark to prohibit in advance certain acts in relation to the mark
  - E.g. altering packaging, get-up or condition; altering, partially removing or obliterating trade mark; using on packaging or goods any matter likely to injure reputation of the trade mark
  - No infringement if owner of goods acquired them without knowledge of restriction
- The trade mark owner can prevent the mark being used in relation to second-hand goods in an altered form, but the necessary precautions must be taken at the time the goods are produced and a person who is unaware of them will not infringe

## Parallel importation

- This occurs where Person A in Australia and Person B as a foreigner, import and trade the same authentic goods bearing the same mark
- For example, a multinational manufacturer supplies the Australian market using its trademark and South African market with the same mark. An Australian importer imports the goods from South Africa (as they are cheaper) and sells them in Australia. Undercuts market, this is parallel importation
- Importation of these goods in competition with the 'Australian' goods bearing the same trade mark is not infringement of the mark in Australia (s 123 – in second-hand goods)
  - o Overseas manufacturer can assign its mark to the Australian distributor so the distributor becomes the trade mark owner. It does not consent to the application of the mark to other goods overseas. Therefore s 123 doesn't apply and parallel importation can be stopped through use of s 120

### *Transport Tyre Sales Pty Ltd v Montana Rims & Tubes Pty Ltd (1999)*

- Ohtsu tyres were manufactured in Japan. Ohtsu was the registered trade mark owner in Australia, transferred trade mark to TTS
- Montana acquired tyres in Singapore and exported them to Australia
- Sale of the tyres in Australia was 'use' of the trade mark
- Trade mark had been applied to tyres while Ohtsu owned the mark in Australia (prior to transfer). Therefore no infringement through importation
- Court said consent of trade mark owner in s 123 could be implied
- It would be impracticable to distinguish between goods bearing the identical trade mark as being goods for the Australian market or the Japanese market

## Action for infringement

### Proper plaintiff/relief

- Relief can be injunction granted with or without conditions, damages or account of profits (s 127)
- If the registration of the mark has expired and has been renewed within 12 months after expiry, action cannot be taken for an infringement which occurred between the expiry date and the date of renewal

### Threat of legal action

- Any person aggrieved by a groundless threat can take action under s 129
- Declaration, injunction and possible damages may be awarded
- Note sub (5), action may be brought if due diligence done
  - o Due diligence of the owner in bringing an action for infringement may preclude the applicant from recovering on the basis of threats, whether or not the action for infringement is successful