

Trademarks: Defences and Counterclaims: *Trademark Part C*

S120(2) – internal defence

(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.

S120(3):

(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 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.

S120(3) tests

1. "Well Known"

- WIPO art 2
- s120(3) well known marks, Coca Cola Bottle, Nintendo, Virgin, San Remo

2. Used in relation to "unrelated goods or services" cf s120(1)(2)

3. Indicating a connection with the owner

Defences under s122:

s 122 When is a trade mark not infringed?

- (1) In spite of section 120, a person does not infringe a registered trade mark when:
 - (a) the person uses **in good faith**:
 - (i) **the person's name** or the name of the person's place of business; or
 - (ii) the name of a predecessor in business of the person or the name of the predecessor's place of business; or
 - (b) the person uses a sign in good faith to indicate:
 - **(i) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or**
 - **(ii) the time of production of goods or of the rendering of services; or**
 - (c) the person uses the trade mark in good faith to indicate the **intended purpose of goods** (in particular as accessories or spare parts) or services; or
 - (d) the person uses the trade mark for the purposes of **comparative advertising**; or
 - (e) the person exercises a right to use a trade mark given to the person under this Act; or
 - (f) the court is of the opinion that the person would obtain registration of the trade mark in his or her name if the person were to apply for it; or
 - (fa) both:
 - (i) the person uses a trade mark that is substantially identical with, or deceptively similar to, the first-mentioned trade mark; and
 - (ii) the court is of the opinion that the person would obtain registration of the substantially identical or deceptively similar trade mark in his or her name if the person were to apply for it; or
 - (g) the person, in using a sign referred to in subsection 120(1), (2) or (3) in a manner referred to in that subsection, does not (because of a condition or limitation subject to which the trade mark is registered) infringe the exclusive right of the **registered owner** to use the trade mark.
- (2) In spite of section 120, if a disclaimer has been registered in respect of a part of a registered trade mark, a person does not infringe the trade mark by using that part of the trade mark.

S122(1)(a):

- (a) the person uses **in good faith**:
 - (i) **the person's name** or the name of the person's **place of business**; or
 - (ii) the name of a predecessor in business of the person or the name of the predecessor's place of business; or

Bob Jane Corporation Pty Ltd v ACN 149 801 141 Pty Ltd [2013] FCA 1255

- *Trying to determine if they have an ulterior motive. That they are trying to use the trademark to profit from it.*
- *So had a good faith mind set.*

Angoves Pty Ltd v Johnson (1982) 43 ALR 349:

- *FFC held can be geographical name of its location*

S122 (1)(b):

- (b) the person uses a sign in good faith to indicate:
 - (i) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or**
 - (ii) the time of production of goods or of the rendering of services; or**

- Descriptive terms – open to the trade
- “geographical” - country, region, town but not the name of a building eg Chifley Plaza (Mid Sydney Pty Ltd (Chifley Tower) case – instead use s122(1)a)

TEST: Has there been honest use of a descriptive word/phrase?

Britt Allcroft (Thomas) LLC v Miller (2000) 49 IPR 7:

- (Disclaimer at the point of sale) - The Thomas Shop is independently owned and operated and is not associated, affiliated, related to or aligned with Britt Allcroft.(Thomas) LTd, Thomas the Tank Engine and Friends TMR trade mark of Britt Allcroft Inc © Britt Allcroft (Thomas) Ltd 1998.
- Did more than indicate she sold Thomas and Tank engine merchandise.
- She implied she had authority to sell them
- **HELD:** “I do not consider the words “kind ...” in s122(1)(b)(i) of the TMA were intended to encompass the identification of the source of goods or services from the registered owner of a mark” [67] Rather ... s122(1)(b)(i) appears to have as [its] underlying element ... some objective description of the goods or services by reference to commonly used and understood qualities... “[67]
 - Logo was argued to be used in good faith just to show that the merchandise was sold there.
 - The way in which Thomas appears is likely to deceive.
 - Her disclaimer was ineffective (exterior of shop had no disclaimer only at point of sale) and was in very small print. Very little impact to anyone who saw the mark

S122(1)(c):

The person uses the trademark in good faith to indicate the **intended purpose of goods** (in particular as accessories or spare parts) or services; or

- Eg BMW spare parts shop

S123:

(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.**

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

Wingate Marketing Pty Ltd v Levi Strauss & Co (1994) 28 IPR 193

- Levi’s owned LEVI’S and similar marks
- Wingate (Au) – imported used Levi’s and altered them
- Marketed under REVISE (not registered/opposed)
- The sale of reconditioned second-hand goods did not constitute trademark use for s120
- Levi’s originally consented to them using REVISE
 - Secondhand clothing imported by Wingate and altered them.
 - Marketed under the name Revise (not registered application was pending)

*“The fact that second-hand goods, whether reconditioned or not, are sold by someone other than the registered proprietor of the trade mark, but still bearing the mark, does not render its sale an infringement of the trade mark provided **the manufacturer is not identified with any inferior qualities of the product** which result from the wear and tear or the reconditioning. All the person is doing is **telling the truth, namely, that the use of the mark is simply to indicate that the goods are connected with the proprietor** albeit that they are second-hand goods. The second-hand dealer doubtless gets some advantage from the use of the mark, especially if it is a well-known mark; but so long as the registered owner of the mark is not identified with any inferior qualities of the goods which result from reconditioning, repair or wear and tear, the registered proprietor cannot rely upon his registration to restrain the dealer from selling goods under the original trade mark.”*

Amendment and cancellation of registration:

Sections 85-89 – amendment/cancellation by order of a court- Non-use s92

Generic marks s 87:

Genericide: Where a registered mark becomes known as the generic name of an article or service. No longer trademarks!!

- Originally marks and now they are generic (to describe something) and become un-registered.

Genericide is now very uncommon:

Internal policing

- Do not use my trademark as a verb!
- Use the ® symbol
- Or “x-brand”

Actual hard to overcome the s 24 hurdle

- 1) Must be generally accepted in the relevant trade as generic – evidence from retailer, wholesalers and advertisers as to how they use the mark.
- 2) Must be the only generic name for the article
- 3) Not enough to show how consumers use the mark so esky, band-aid, google?

People police them very heavily now.

Companies who value their trade-marks look for anyone else using them. And act very quickly to prevent that.