

Recent Trade Mark Developments in Australia

During 2017/18, there have been a number of developments in trade mark law in Australia. As a service to our clients, we have summarised below some of these developments.

ADWORDS – Do they constitute trade mark infringement?

Adwords are marketed by Google such that the landing page of a third party brand pops up whenever an internet searcher selects a particular brand. This might be seen by some as the parasitic use of major brands. However, in *Veda Advantage Limited v Malouf Group Enterprises Pty Limited* (2016) FCA 255, the Federal Court affirmed that use of such “key words” did not constitute trade mark use but merely presented alternative products or services to the consumer. Under current Australian law, use of Adwords therefore does not of itself appear to constitute trade mark infringement.

PARALLEL IMPORTING – Is trade mark protection available?

When an overseas manufacturer exports to Australia, it may decide to set up an exclusive distributor in Australia. Unfortunately for the exclusive Australian distributor, unauthorised parties may choose to source and sell in Australia genuine products which may have been originally manufactured and trade marked by the overseas manufacturer. Such parallel importation is usually protected from infringement claims because the imported goods are considered to be “genuine” under section 123 of the Trade Marks Act. Such parallel importation can usually be prevented if the exclusive distributor is assigned the Australian trade mark by its overseas principal on a perpetual or short-term basis. In that case, the parallel importer is likely to infringe the Australian mark as that mark is seen to be a different mark to that of the overseas principal. In these circumstances, it is important that the overseas principal maintains an “arm’s length” relationship with its distributor so that the distributor cannot be seen to be a financial subsidiary of the overseas principal.

GEOGRAPHICAL NAMES – Do they indicate geographic origin?

Under section 61 of the Trade Marks Act, it is not permissible to register and use a mark which falsely indicates a geographic origin. However, in the case of *1872 Holdings V.O.F. v Havana Club Holdings SA* (2017) 127 IBA 410, the mark HAVANA CLUB ESSENCE OF CUBA was held to be registrable even though

the subject goods (alcoholic beverages) did not originate from Cuba. The Hearing Officer found that the phrase “Essence of Cuba” was merely a “skilful allusion” to Cuba rather than a claim that the subject goods originated from that country.

DECEPTIVE SIMILARITY – One word can make a difference

As a general rule, if one mark is wholly contained within another the two marks are likely to be deceptively similar provided that their common element is distinctive. In *Hachette Filipacchi Presse v Reitmans (Canada) Limited* (2016) 127 IPR 40, the mark ADDITION ELLE was found to not be deceptively similar to the mark ELLE in relation to magazines. The Hearing Officer determined that as the word ELLE was not entirely distinctive in this context, the two marks could be distinguished by the distinctive element ADDITION in the applicant’s mark.

REPUTATION – Monsters are not all the same

In support of its Monster’s Inc film, Disney Enterprises applied to register the mark MONSTER’S UNIVERSITY for clothing and soft drinks. This mark was opposed in *Monster Energy Company v Disney Enterprises Inc* (2017) IPR 87. The Hearing Officer found that the applicant’s mark MONSTER’S UNIVERSITY was not deceptively similar to the opponent’s mark MONSTER because the additional word UNIVERSITY was distinctive in this context. (This finding begs the question as to why the two marks were not deceptively similar on the basis that the common element MONSTER was also distinctive). The opponent also failed in its claim that the two marks would be confused in the marketplace because of the prior reputation of the opponent’s mark. The Hearing Officer found that the international reputation of the opponent’s mark for soft drinks had not sufficiently “spilled over” to Australia to such an extent that the respective trade marks would be likely to be confused in Australia.

FILM TITLE – Can it be a trade mark?

The film “National Lampoon’s Animal House” was released in 1979 and has been re-broadcast a number of times on Australian television. The film producers opposed the registration of the mark ANIMAL HOUSE for entertainment purposes in *Universal Studios LLC v Gorecki* (2017) 127 IPR 446. The Hearing Officer determined that a film title does not necessarily constitute a trade mark unless it forms part of a collection of films carrying a unifying title. Furthermore, in this case, the reputation of this particular film in Australia was found to be too superficial for the respective marks to be confused.



TRADE MARK REMOVAL – Ensure use of the correct mark

In *FA Industry Pty Limited v Frigrite Mechanical Services Pty Limited* (2017) 127 IPR 101, the trade mark owner opposed a non-use removal application against its FRIGRITE mark. The evidence of use filed by the trade mark owner related to a mark which contained a “wavy line” which was not present in the mark as filed. However, the Hearing Officer determined that despite this additional element in the mark, it was still substantially identical to the mark as filed. Notwithstanding this finding, it is generally unwise to allow variations to develop in the representation of trade marks in the marketplace. If these variations are distinctive, evidence of use of such marks is unlikely to be accepted as evidence of use of the marks as filed.

BAD FAITH – A potentially powerful ground of opposition

Under Australian trade mark law, a trade mark applicant is not entitled to file a trade mark application in bad faith. The concept of “bad faith” is very broad and includes conduct “which falls short of acceptable commercial behaviour” under section 62A of the Trade Marks Act. As a consequence, trade mark opponents should seriously consider this ground if the commercial behaviour of the applicant is of a questionable standard. Nonetheless, there are limitations in the application of this ground. In *mySupply Store Pty Limited v My Supply Pty Limited* (2017) 127 IPR 505 the Hearing Officer found that mere knowledge by the trade mark applicant of the existence of a potentially conflicting mark at the time of filing did not of itself constitute “bad faith”.

BLACK AND WHITE – A colour by any other name

In *Unilever PLC v Beiersdorf AG* (2017) 127 IPR 471, the Applicant sought to register the mark BLACK AND WHITE in relation to its Nivea range of underarm deodorants. The difficulty for this trade mark application was twofold. It transpired from the evidence that the phrase BLACK AND WHITE had a perceived meaning in the marketplace that the underarm deodorant did not stain clothing. As a consequence, the mark could be considered to be descriptive. Furthermore, the Hearing Officer noted that it was notoriously difficult not only to register a particular colour as a trade mark but also to register the name of a colour. As a general principle, colour names should be available for use by other traders. The trade mark application was rejected.

YOUR OWN NAME – Are you entitled to use it?

Under section 122(1)(a) of the Trade Marks Act a person is entitled to register and use his/her own name in good faith in relation to commercial activities. In *Nikon Corporation v Nikkon Lighting Pty Ltd* (2017) 127 IPR 460, the applicant sought to register the name NIKKON partly on the basis that the word NIKKON was the name of the applicant company. The Hearing Officer determined that the above provision of the Act applied to a person and could not be extended to a company name under the current circumstances. It is also important to emphasise that the protection of section 122(1)(a) of the Act does not provide protection against an action for passing off or misleading conduct in circumstances where the use of a name would be likely to misappropriate the reputation of another party.

Please feel free to contact us if you have any queries on the above trade mark developments or any other intellectual property issues.



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