

TRADE MARKS: YOUR FRIEND OR FOE

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At any one time in business, trade marks could be your friend or your foe – that is, you may either be using registered trade marks to protect your brand or you may find yourself in hot water for infringing upon someone else's trade mark. For advertisers particularly, it is important to understand how trade marks work, so you know how they can help you and, on the flip side, how you can avoid the risk of a costly trade mark challenge. After all, the broad range of signs that can be trade marked provide the very thing that advertisers crave – brand identity – and this will include names and logo devices as well as slogans, tag lines, distinctive packaging, shapes and colours.

The best and strongest form of protection for trade marks is trade mark registration obtainable through IP Australia, although there is some protection available for unregistered trade marks too.

In Australia, a trade mark infringement will occur if you use a sign that is substantially identical or deceptively similar to a registered trade mark on goods or services that fall within or are closely related to the classes of goods or services in which the trade mark is registered (or a broader class of goods if the trade mark is well known). There are also rights under common law including actions for passing off and misleading or deceptive conduct or false representations under the *Australian Consumer Law* in respect of unregistered trade marks.

Avoiding trade mark infringement

Imagine this: your client is launching a new product and you have to come up with a name and other branding for it. You meet with your team and come up with a winner. Time is tight and you run a quick Google search and it does not look like anyone has used the name. You pitch it to your client - they love it, of course - and you hit the ground running getting all the creative materials and packaging design ready. Your client is thrilled and you can't wait to see the product in market.

Three months after launch, you receive an urgent voicemail message from your client - they have received a legal letter alleging that the brand name infringes a registered trade mark and all sorts of demands including that the name be changed, the products recalled and your client pay damages. And they want to know from you: How did this happen?!

This sort of scenario is unfortunate but not uncommon and serves as a reminder for advertisers to do some due diligence at the outset when coming up with brand names, logos, slogans etc, and yes, to involve your lawyers asap after you come up with an idea for a brand. Accordingly, if you want to use a particular sign or name as a trade mark, you should first determine if anyone else has already obtained rights to that or a similar mark, whether registered or unregistered. A quick Google search as in the above scenario can sometimes bring up relevant results that could trigger alarm bells, but is generally insufficient as Google does not have the functionality to uncover registered trade marks (all of which can be registered without the need to demonstrate reputation and therefore may not exist on Google).

Accordingly, it is imperative that you conduct a trade mark availability search, ideally in all cases where you intend to use a brand name, logo or slogan etc and especially wherever you are making a considerable investment in that name or device.

An Australian trade mark search involves checking the database of the Australian Trade Marks Office via the Australian Trade Mark On-line Search System (ATMOSS) run by IP Australia. This is an online database of all registered, pending, lapsed and refused trade marks in Australia. Conducting this search does require expertise and know-how in how to run the searches and interpret the results, as well as an understanding of trade marks (and the associated legal jargon). In addition, it is not enough to simply search an exact phrase. Therefore, if your proposed brand name is 'HOOLEY', the fact that there are no results for 'HOOLEY' on ATMOSS does not give you the 'all clear'. You would also need to search all derivatives and combinations of this name and anything that is visually or phonetically similar. For example, 'HULEY', 'HOOPLY', 'HEWLY', 'OOLEY', 'WHOOLEY' etc.

As unsexy as it may seem involving your lawyer in the creative process, this is where your lawyer definitely comes in handy in terms of saving you from problems down the track. An intellectual property lawyer can run searches and advise you whether a name, logo, slogan etc is available for use and whether it actually can be registered as a trade mark as some categories of words and images may be difficult or impossible to register. Alternatively, you can also request for IP Australia to provide an assessment of the registrability of your trade mark using its TM Headstart Service. Although there is typically a fee for these services, it is a small investment for the comfort of an 'all clear' and to help avoid the expense of having to defend a legal proceeding or completely overhaul a brand and recall its products if it turns out that your sign infringes a registered trade mark. Trade mark experts (like Anisimoff Legal) can usually offer a range of services at different price points to give you the comfort and feedback you need in a timeframe that works for you, and it is a small price to pay considering how things can go pear-shaped for you if you get this wrong at the outset.

When considering a trade mark it is also imperative to check other databases that could reveal the use of a name or brand in Australia or overseas that has not been registered as a trade mark but which may have developed a significant reputation and therefore give the owner rights to claim against you at common law, or to oppose your trade mark application for prior use. Such other databases include:

- The register of business and company names which can be accessed and searched on the Australian Securities and Investment Commission (ASIC) website;
- Business directories such as the White and Yellow Pages and any relevant industry directories, including LinkedIn;
- The Internet generally, including overseas trade mark databases, domain names and social media accounts.

Contrary to popular belief, a business or company name is not a trade mark and does not give you exclusive rights to use that name. Therefore, if your client had the company name 'HOOLEY PTY LTD' it does not give any automatic legal basis for it to assert a right to 'HOOLEY' as a trade mark. However, a search of a business or company name is a necessary part of the due diligence as part of a trade mark availability search as it will uncover businesses that could be using that name as an unregistered trade mark (and therefore have some claim to it at common law or may represent a risk of opposing your trade mark registration).

It is also necessary to conduct Google searches, as well as searches of overseas trade mark databases, domain names and social media. Australian courts have recognised that with the Internet, owners of well-known brands overseas that are not sold or directly marketing in Australia may still have established brand reputation in Australia to enable it to dispute your mark.

Enforcing trade mark rights

Say in the above scenario the facts were changed - you had arranged a solicitor to conduct a trade mark availability search before proceeding which came back clear. The product launched and has been successful. Then one day, you receive another urgent call from your client. They have discovered that a company has recently launched a product using a similar name for the same goods. They have not registered the name as a trade mark and they want to know what can be done.

It is not compulsory to register a trade mark but having a registered trade mark from the outset is the best way to enjoy brand security, and gives the owner some excellent advantages when it comes to enforcing their rights and stopping others from copying their trade mark. Effectively,

obtaining registration of a trade mark means that the owner will have a relatively 'open and shut' legal action against infringers using the same or a similar mark in relation to goods or services which fall within the same class for which the trade mark is registered and associated goods and services. It therefore makes it much easier and less costly to stop others using the mark. In addition, because the mark is on public record on ATMOSS with IP Australia, anyone who is conducting a trade mark availability search is likely to be deterred from adopting this mark or a similar sign as a trade mark, and thus it reduces the chance of infringement in the first place.

As in the above scenario, if your trade mark is unregistered and you want to enforce it, you can do so, however it is much more time consuming and often involves legal dispute, which could include taking the matter to Court and compiling evidence of sufficient reputation, such as costly survey evidence. If the matter goes to Court, there will be other expenses in the form of legal fees, cost exposure and time and productivity lost to conduct Court proceedings.\

Therefore, while filing a trade mark application can often be seen as an unnecessary expense when launching a new brand (or an existing brand in a new country) investment at an early stage can be a real pay-off to avoiding much greater expenses down the track in attempting to enforce your rights. If your brand is valuable, integral to your business and you want to protect it, registering it as a trade mark will give you the exclusive rights to do so and is well worth the effort.

Contact us

In both aspects of avoiding infringements and protecting your trademarks, a lawyer can help you. Anisimoff Legal has the expertise to conduct full availability trade mark searches and exact hit trade mark searches (which are quicker and cheaper) and obtain registrations if you need further assistance or advice.

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