

ACCEPT NO IMITATIONS: TRADE MARK PROTECTION

For small and large businesses alike, registered trade marks protect a very valuable asset: the identity of your business. They help to distinguish your business from that of your competitors.

Existing clients may recognise your logo but what happens if a competitor uses a similar logo? What if that competitor imitates your product packaging, or trades under a similar name?

This article provides an overview of trade marks in Australia, and securing your trade marks to protect your business.

Maximising protection

In Australia, the best protection is afforded by registering your trade mark with the Trade Marks Office.

Registration entitles the trade mark owner to exclusive use of that trade mark for the goods or services specified. This is not only valuable for the business' identity, but is an asset that can be traded or licenced.

It is important for businesses to remember that trade marks are not limited to the stereotypical business name or logo. Less tangible features are also registrable, including shape and colour. A notable example of this is 'Cadbury Purple' (Reg. No. 1120614). Even sounds and scents can be registered.

In order to be registered, a trade mark must be 'unique'. This means it is capable of being used to distinguish your goods or services from those of others.

Registration will usually not be granted for a trade mark that is too similar to another trade mark, particularly if they are within the same market.

This is usually the key issue when a trade mark is opposed: that the trade mark is not distinctive enough.

The Golden Rule: Register first

Generally, the trade mark that is first in time will have the best rights to use it. This is demonstrated by a number of recent cases involving iconic brands, where a 'big brand' was the first-registered trade mark.

In 2014, Facebook successfully challenged the registration of the mark "FriendBook" in Australia under the *Trade Marks Act 1995* (Cth).¹ It was found that the registered "Facebook" trade mark had acquired a reputation in Australia and "FriendBook" was likely to deceive or create confusion, particularly as it provided similar services to Facebook.

Similarly, McDonalds successfully challenged registration of a trade mark "McSlider" to a small food outlet.² It was held that McDonalds' strong reputation for usage of "Mc" trade marks, the new trade mark was likely to cause confusion in that it suggested a relation to the McDonalds franchise.

Not just for big business

Trade marks do not just protect big businesses – they also provide valuable protection to small and medium businesses.

This is perhaps illustrated best by a recent Mexican case where technology giant Apple unsuccessfully challenged the 'iFone' trade mark used by a Mexican phone company. The trade mark had existed as a registered trade mark before Apple's iconic "iPhone" trade mark.

In a recent local decision, Australia Post unsuccessfully challenged the trade mark

¹ *Facebook Inc. v Northsword Pty Ltd* [2014] ATMO 74.

² *MCD Asia Pacific LLC v Coffee Cartel Pty Ltd* [2014] ATMO 70.

“Digital Post Australia”.³ It was determined that the public would not be likely to associate this brand with Australia Post.

Unregistered trade marks?

Although the registered owner of a trade mark is the person in whose name the trade mark is *registered*, unregistered trade marks are afforded some protection. This will usually require that the company has accrued a reputation and goodwill in the trading name in a particular jurisdiction.

The owner of an unregistered trade mark may be able to enforce unregistered trade mark rights against a registered trade mark holder. However, as these rights do not specifically arise under the legislation, they are more vulnerable to defeat by a later registered trade mark owner.

As a recent example of circumstances where an unregistered interest was protected, two companies had both used a ‘Nappy Land’ logo.⁴ One was registered and the other was not – the unregistered logo predated the registered trade mark.

It was held that the registered trade mark could not be used in the same jurisdiction as the unregistered trade mark. Nevertheless, the protection afforded to the unregistered logo was more limited in its nature to that granted to a registered trade mark. It did not grant the owner of the unregistered logo exclusive ownership rights, but limited the rights of the registered trade mark holder to use only the registered *version* of the ‘Nappy Land’ logo. The registered owner retained the right to use its registered trade marks in most Australian states.

Accordingly, reputation and goodwill should not alone be relied upon to protect a trade mark. Registration should always be preferred to offer full protection.

³ *Australia Postal Corporation v Digital Post Australia* [2013] FCAFC.

⁴ *CI JI Family Pty Ltd v National Australian Nappies (NAN) Pty Ltd* [2014] FCA 79.

Key recommendations

- Businesses should formally register trade marks, to obtain the greatest protection available and to minimise the potential for litigation;
- Trade marks should be registered at the earliest possible stage, as the earliest in time usually has the best claim to use that mark;
- Businesses should seek legal advice prior to registering a trade mark to minimise the potential for it to be challenged;
- Small business owners should not be discouraged from pursuing trade mark infringement – protections extend to small and large companies alike.

Conclusion

Regardless of the size of your business, registering your trade marks provides valuable protection against others who attempt to leverage the goodwill built up in your business to lure clients. If it is worth your time and money to invest in your brand then it is worth protecting that investment with registration. A distinctive and earlier registered trade mark will help protect the brand value in your business.

For further information about registering and protecting trade marks, please contact:

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