

STUDY ON THE PROTECTION OF COUNTRY NAMES

SUBMISSION FROM AUSTRALIA

Legal Basis for Protection

In Australia, the legal bases governing registration of a trade mark which contains or consists of the name of a State are contained in Division 2 of Part 4 of the *Trade Marks Act 1995*, principally:

- **Section 41** – Trade mark not capable of distinguishing applicant's goods or services; and
- **Section 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.

Under section 33(3) of the *Trade Marks Act 1995*, if the Registrar is satisfied that there are grounds for rejection, the application must be rejected. However, section 33(1) provides for a presumption of registrability in that applications must be accepted unless the Registrar is **satisfied** there are grounds for rejecting it. [Emphasis added].

In addition to these tests for registrability, which are also grounds for opposition and cancellation, if a person uses a sign in good faith to indicate the kind, quality, quantity, intended purpose, value, **geographical origin**, or some other characteristic of goods or services, that person does not infringe a registered trade mark. [Emphasis added - Section 122(1)(b) of the *Trade Marks Act 1995*].

In Australia protection against misuse on labelling and presentation of goods is also further governed by a range of strong consumer protection provisions including the Competition and Consumer Act 2010.

The Applicable Procedures

Pre-registration

Grounds for rejection and opposition are designed to ensure that names of State are not the subject of monopoly rights. These provisions also ensure that an application is unlikely to be registered if any of the material contained in a mark would mislead, result in deception or confusion as to the origin of the goods or services covered.

However such grounds for rejection are only established where it is clear the trade mark as a whole is not capable of distinguishing, or that because of a connotation in the mark, use of the trade mark would be likely to deceive or cause confusion. The trade mark must be considered as a whole, but taking account of the impact of the various elements of the trade mark, including their relative size and prominence

within the mark. In the case of whether a trade mark is likely to deceive or confuse, not only must the trade mark contain a connotation but also be likely to deceive or cause confusion

Examples of the application of section 43 in Australia are:



- *Federation of the Swiss Watch Industry FH v K-Swiss Inc [2009] ATMO 78 (7 October 2009)* was an opposition to the registration of K-SWISS for goods which included timepieces. The decision maker in that case found it likely that a significant number of members of the buying public would be confused into thinking that the goods of the application, which included *horological and chronometric instruments and watches* were of Swiss origin.



- *Bavaria NV v Bayerischer Brauerbund eV [2009] FCA 428 (30 April 2009)* was an appeal to the Federal Court of Australia from a decision of the Registrar. In this case the Judge was not satisfied that the trade mark connoted that the beer had characteristics attributable to a Bavarian origin, and further found, in part due to the inclusion of the word Holland, that the evidence was insufficient to establish that the Australian consumer would

be confused or deceived by the trade mark to think that the goods had certain characteristics attributable to a Bavarian origin.

These grounds may be overcome if evidence shows that use of the trade mark is such that the sign is perceived by consumers to indicate commercial source rather than geographic origin, or in the case of section 43 if the goods or services are produced in the area signified.

Post-registration

Section 41 and section 43 are also grounds for cancellation of a registered trade mark.

Inclusion of a name of State in a trade mark cannot be used to prevent others with a legitimate need from using such terms in a descriptive way. Section 122 of the *Trade Marks Act 1995* provides that a trade mark is not infringed when a person uses a sign in good faith to indicate the kind, quality, quantity, intended purpose, value, **geographical origin**, or some other characteristic of goods or services.

Scope of Protection

Australia is a common law country where rights in a trade mark accrue or are lost through use. Through use, a place name can lose its significance and become either distinctive or generic.

There is an Australian High Court decision¹ in relation to geographical place names that explains, at paragraph 6:

... It is well settled that a geographical name, when used as a trade mark for a particular category of goods, may be saved by the nature of the goods or by some other circumstance from carrying its prima facie geographical signification, and that for that reason it may be held to be adapted to distinguish the applicant's goods.

The example given in this decision was “North Pole” for bananas – consumers are unlikely to be misled into thinking that bananas sold under this trade mark would come from the North Pole.

Decisions on section 43 (use of a trade mark is likely to deceive or cause confusion) are also made on a case by case basis. Many trade mark applications contain descriptive terms including geographical references, especially if the trade mark claimed is a reproduction of a product label.

In Australia there are labelling requirements under legislation other than the TMA which govern the use of this kind of indication in the marketplace. Because of this, examination practice is that there will usually be no cause to question the veracity of a geographical reference at examination stage. Unless an examiner is faced with information clearly demonstrating that the geographical reference is inaccurate or misleading, these references will not give rise to a section 43 ground for rejection. For example, an otherwise registrable trade mark containing the words “Product of Australia” for use on *safety matches* need not cause concern at the examination stage.²

¹ *Clark Equipment Co. v Registrar Of Trade Marks* [1964] Hca 55; (1964) 111 Clr 511

Even if a ground for rejection is raised, it is possible for the applicant to provide evidence to establish the mark is capable of distinguishing and/or not likely to deceive or cause confusion.

Third parties, including Member States, can oppose registration or take cancellation action.

Protection is granted for the official name of the country only or also for variations of those names

In Australia grounds for rejection, opposition and cancellation apply in respect of official names of countries but also, where appropriate, in respect of variations and abbreviations.

In relation to both distinctiveness and likelihood of deception or confusion, names of foreign towns or localities are considered on the basis of their connection or potential connection to the designated goods or services.

Words other than a geographic place name may suggest a geographic relationship and this is also considered in examination. For instance, the word *Kiwi* can indicate New Zealand. A ground for rejection could in some circumstances be appropriate where *Kiwi* is a dominant part of the mark in such a way as to render the mark not capable of distinguishing or likely to deceive or confuse in use.

² Trade Marks Examiners Manual Part 29 Paragraph 5.2 - http://docstore.aipo.gov.au/intranet/docstore/technical_communications/TM_Examiner_Manual/WebHelp/trade_marks_examiners_manual.htm