



## Trade Marks Amendment Bill 2006

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## Trade Marks Amendment Bill 2006

**Date introduced:** 21 June 2006

**House:** The Senate

**Portfolio:** Industry, Tourism and Resources

**Commencement:** Received Royal Assent on 23 October 2006. Schedules 1 and 3 commenced upon Royal Assent. Schedule 2 commences on a date to be proclaimed, or six months from Royal Assent.

### Purpose

The Bill amends the *Trade Marks Act 1995* (the Act) to implement a number of changes recommended as a result of a review of the Act.

### Background

A trade mark can be a logo, word, phrase, letter, number, sound, smell, colour, shape, picture, aspect of packaging or a combination of these. A trade mark is used to identify the source of goods and services, to distinguish them from other traders and to identify the person who is responsible for a product or service and its quality. Section 17 of the Act contains the following definition of a trade mark:

A trade mark is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

Trade marks may be registered with the Registrar of Trade Marks. If a trade mark is registered, the registered owner has exclusive rights to use the trade mark, to authorise other people to use the trade mark, and to obtain relief under the Act if the trade mark has been infringed.<sup>1</sup>

For a recent history of legislative development in respect of Australian trade mark law, see S. Brennan, [Trade Marks and Other Legislation Amendment Bill 2001](#), No 172, 2000-01 and Rosemary Bell, [Trade Marks Amendment \(Madrid Protocol\) Bill 2000](#), No. 20, 2000-01.

It is not within the scope of this Digest to canvas every amendment proposed by the Bill. Rather, the Digest is focused on series applications and registration, the amended grounds for opposition to the registration of a trade mark and changes to the rules about the removal of a trade mark registration for 'non-use'.

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## Basis of policy commitment

There have been several reviews of the regulation of trade marks in the last few years including:

- The ‘Review of intellectual property legislation under the Competition Principles Agreement’<sup>2</sup> by the Intellectual Property and Competition Review Committee (the Ergas Committee) in 2000
- The ‘[Review of trade mark enforcement](#)’<sup>3</sup> in Australia by the Advisory Council on Intellectual Property (ACIP) in April 2004
- The ‘Review of the relationship between trade marks and business names, company names and domain names’<sup>4</sup> by the Advisory Council on Intellectual Property (ACIP) in March 2006
- The review of the Trade Marks Act and its Regulations by Intellectual Property Australia (IP Australia)<sup>5</sup>

This Bill is largely a response to the last of these. The aim of the review was to determine:

- whether or not the trade marks system is operating as envisaged in 1995 (when the Act came into force)
- why the trade marks system may not be operating as envisaged (if that is the case)
- whether this is a problem and suggest possible solutions, and
- areas that are causing problems and identify possible options for solving these problems.

The recommendations for change were set out in three discussion papers released by IP Australia.<sup>6</sup>

## Types of trademarks

There are two types of trade marks – registered and common law marks.<sup>7</sup>

### Common law trade marks

A common law trade mark is a mark for which a person has developed a reputation. The legal mechanism by which they are protected is by way of the tort of ‘passing off’.<sup>8</sup> ‘Passing off’ refers to passing off one’s goods or services as someone else’s. ACIP in its [Review of the relationship between trade marks and business names, company names and domain names](#) notes that to succeed in protecting a trademark under common law a plaintiff has to prove:

- they have developed good will or a reputation in the trade mark

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- use of the trademark by another person would be likely to confuse or deceive the public; and
- the confusion would be likely to damage, or has damaged the plaintiff's goodwill.<sup>9</sup>

ACIP notes that while common law trade marks do not involve the cost and delay of applying for a trade mark registration, pursuing an action for passing off is more difficult than taking action under the Act.<sup>10</sup>

#### Registered trade marks

A person claiming to have a common law trade mark must prove that they have a reputation in the mark, but a registered trade mark provides prima facie evidence that the owner has established a reputation in the market in relation to the goods and/or services for which the mark has been registered.<sup>11</sup> The registration of a trade mark:

...in which there are no grounds for objection typically takes 7 ½ months, the bulk of this being the three month opposition period. [More complex cases take longer]...Official fees for registering a trade mark total around \$450 per class of goods and services sought, with renewals fees comprising \$300 every ten years. Around 60% of applications are filed by the applicants themselves. The other 40% are handled by lawyers and attorneys, who may charge in the range of \$1000 to \$5000 in addition to official fees.<sup>12</sup>

#### Trade marks must be in use

A trade mark must be *in use* as a trade mark for the registered owner to maintain its trade mark rights.<sup>13</sup> The use as a trademark must indicate a connection in the course of trade between the trade mark and the goods or services of the trade mark owner.<sup>14</sup>

#### International Legal Framework

Trade mark law was traditionally a nationally-based protection regime.<sup>15</sup> However, it is important to understand the international context in which national regimes operate.

There are four principal treaties that apply to trade marks law:

- the Paris Convention for the Protection of Industrial Property of 1883 ('the Paris Convention')
- the Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS')
- the Trademark<sup>16</sup> Law Treaty; and
- the Madrid Protocol.<sup>17</sup>

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On 27 March 2006 the Singapore Treaty on the Law of Trademarks was adopted by consensus by 146 Member States of the World Intellectual Property Organization at a diplomatic conference in Singapore.<sup>18</sup> The Treaty updates the Trademark Law Treaty to take account of developments in communication technology, extends the scope of trade marks covered to include non-visible signs and provides for the creation of an assembly of contracting parties.<sup>19</sup> The Treaty has not yet come into force and Australia has not ratified it.<sup>20</sup>

The international law relating to trade marks affects the scope of the national regime. For example, Burrell notes that imposition of a requirement to provide proof of use on renewal could breach the Trademark Law Treaty.<sup>21</sup>

The Paris Convention is important because it establishes:

... the principles of territoriality, implementation according to the law of national jurisdictions and the principle of 'first in time, first in right'.<sup>22</sup>

The TRIPS Agreement incorporates a number of key principles:

- 'national treatment' – foreign nationals must be treated at least as well as nationals;<sup>23</sup> and
- members shall be free to determine the appropriate method of implementing the provisions of [the] Agreement within their legal system.<sup>24</sup>

The Trademark Law Treaty requires parties to give the protection mandated by the Paris Convention and imposes an obligation to give the same protection to service marks.<sup>25</sup>

Arblaster notes that:

The Madrid Protocol provides the basis for an applicant to file an application for registration of a trade mark in multiple jurisdictions using a single application.<sup>26</sup>

## Changes proposed by the Bill

The key changes proposed by the Bill relate to:

- series applications
- new and amended grounds of opposition
- standing to apply to remove a registration for non-use; and
- Registrar's discretion in non-use actions.<sup>27</sup>

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## Position of significant interest groups/press commentary

The amendments proposed by this Bill follow the release of three discussion papers by IP Australia and the consideration of submissions from significant stakeholders including the Australian Federation of Intellectual Property Attorneys (FICPI Australia), the Institute of Patent and Trade Mark Attorneys of Australia and the Law Council of Australia. While these initiatives are not universally seen as necessary and are, in some cases, opposed, the general tenor of stakeholder responses is positive. Other commentators have reflected positively on the Bill. For instance, Allens Arthur Robinson observes:

The amendments outlined above, if enacted, are generally advantageous to trade mark owners in that they will allow more flexibility and cost reduction in applications (eg in collective trade marks and series applications) and generally expand a trade mark owner's ability to take action against accepted applications and registrations by others that are cause for concern.

The reduction in the renewal grace period to six months means that registered owners would have to make a relatively quick decision whether to save a registration if the renewal date is allowed to pass. The changes in the Customs provisions should serve to reduce the administrative burden on owners and make the use of these provisions a more attractive proposition.<sup>28</sup>

Similarly, Dibbs, Abbott, Stillman observes:

Very little of what is proposed in the Bill would appear to be contentious. Rather, it proposes changes to the Act which will remove some of the practical problems that have become apparent with the Act since its commencement and clarify the rights of trade mark owners and applicants in some key areas, particularly oppositions.<sup>29</sup>

## ALP/Australian Democrat/Greens/Family First policy position/commitments

At the time of preparation of this Digest there has been no media comment on the Bill by other political parties.

## Financial implications

The Explanatory Memorandum notes that there are no financial implications for the Commonwealth arising from this Bill.

## Main provisions

The provisions are dealt with thematically rather than in numerical order.

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## Series applications

Item 73 of the Bill inserts **new section 51A** which provides for the linking of series applications.

### **Section 51A Linking series applications**

(1) Subsection (2) applies if:

- (a) before the commencement of this section, 2 or more applications (series applications) were made each seeking the registration of the same 2 or more trade marks in respect of goods or services of different classes; and
- (b) the filing date of each of the series applications is the same; and
- (c) each of the trade marks has the same owner...

(2) The owner of the trade marks may apply to the Registrar, in writing, to have:

- (a) the series applications; or
  - (b) so many of the series applications as are identified in the application to the Registrar;
- dealt with under this Act *as if they were one application for the registration* of the trade marks in respect of all goods and services specified in the series applications or the identified series applications....

(3) If an application is made under subsection (2), the Registrar *must deal* with the series applications that are the subject of the application under that subsection as if they were *one application*. [Italics added].

This amendment provides for administrative efficiency in respect of 'series' applications. Currently an applicant must file an individual series application in each class of interest.<sup>30</sup> **Proposed section 51A** allows for the 'linking' of series applications, provided that the applications are for exactly the same series of trade marks and have the same filing dates. These applications will then be considered as a single trade mark application.

## Series registrations

Item 83 of the Bill inserts **new section 82A** which provides for the linking of series registrations.

### **82A Linking series registrations**

(1) Subsection (2) applies if:

- (b) the filing date of each of those applications is the same; and

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(c) the trade marks are registered trade marks for the purposes of this Act with the same registered owner....

(2) The registered owner may apply to the Registrar, in writing, to have those trade marks, or so many of those trade marks as are identified in the application to the Registrar, dealt with under this Act as if they were registered *as a series in one registration* in respect of all goods and services in respect of which the trade marks, or the identified trade marks, were registered....

(3) If an application is made under subsection (2), the Registrar must deal with the trade marks, or the identified trade marks, *as if they were one registration*. [Italics added]

This amendment provides for administrative efficiency in respect of 'series' registrations. **Proposed new section 82A** allows for the 'linking' of series registrations, provided that the applications are for exactly the same series of trade marks and have the same filing dates. These applications will then be considered as a single trade mark registration.<sup>31</sup>

#### Opposition to registration of trade mark

The grounds for opposition are set out in Division 2 Part 5 of the Act. Item 29 of the Bill inserts **new section 58A** which provides that an application for registration of a trade mark (the second mark) can be opposed on the basis that the owner of a similar trade mark (the first trade mark) used the mark before the second mark was used and did so continuously. This would apply where the first mark is used on similar goods/closely related services, or similar services/closely related goods.

Item 31 repeals paragraph 60(a) and inserts a **new paragraph 60(a)**. It provides that a trade mark may be opposed if the registration of that trade mark would be likely to deceive or cause confusion with respect to another trade mark in which a reputation has been established whether or not the reputation is based on an identical or deceptively similar mark. This amendment means that the ground of opposition in respect of a trade mark with a reputation in Australia will be *less restrictive*, by removing the requirement that the opposed mark be substantially identical with, or deceptively similar to, the trade mark with the reputation in Australia.

#### Bad faith

Item 35 of the Bill inserts **new section 62A** which provides a new ground for opposition to the registration of a trademark – that is, that the application for registration was made in bad faith.

#### Grounds for removal from Register

Items 41, 42 and 43 of the Bill amend section 88 to make it clear that a trade mark can be removed from the Register if it is likely to deceive or confuse consumers.

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## Non-use actions

Items 46 and 47 of the Bill amend **section 92** to make it clear that standing to make an application for removal for non-use will be broadened to 'any person', not the narrower 'aggrieved' person test, as is currently the case.

Item 49 adds **new paragraph 101(4)** to clarify the discretion of the Registrar of Trade Marks to decide whether or not to remove a trade mark from the Register. The Registrar will be able to take into account the fact that a trade mark has been used by the owner in respect of similar goods/closely related services or similar services/closely related goods to those covered by the registration at issue.<sup>32</sup>

## Powers of Federal Court

Item 57 relates to existing paragraph 197(a) of the Act. The Explanatory Memorandum refers to the Federal Court case of *Soncini v Registrar of Trade Marks* [2001] FCA 33 (30 March 2001) which expressed uncertainty about the meaning of the Federal Court admitting 'further' evidence.<sup>33</sup> Item 57 deletes the word 'further' from paragraph 197(a) to:

...make it clear that the Federal Court may admit any evidence on hearing an appeal against the decision of the Registrar, even if that evidence was not previously filed with the Registrar.<sup>34</sup>

## Concluding comments

Little in this Bill is particularly contentious and the thrust of published stakeholder opinion is that the Bill is advantageous to trade mark holders.

## Acknowledgements

The authors extend their sincere appreciation to Patrick O'Neill and Catherine Lorimer for their background research for this Digest and to Bronwen Jagers, Justine Clarke and Mary Anne Neilson for proofing the Digest.

## Endnotes

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1. Rosemary Bell, Trade Marks Amendment (Madrid Protocol) Bill 2000, No. 20, 2000-01, at p.1.

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2. Intellectual Property and Competition Review Committee, *Review of intellectual property legislation under the Competition Principles Agreement*, September 2000, <http://www.ipcr.gov.au/>
3. Advisory Council on Intellectual Property, *Review of trade mark enforcement*, April 2004 2006, <http://www.acip.gov.au/library/reviewtmenforce.pdf>, accessed 14 August 2006.
4. Advisory Council on Intellectual Property, *Review of the relationship between trade marks and business names, company names and domain names*, March 2006, <http://www.acip.gov.au/>
5. IP Australia, *Legislation Review*, 30 September 2004, [http://www.ipaustralia.gov.au/resources/forms\\_trademarks.shtml](http://www.ipaustralia.gov.au/resources/forms_trademarks.shtml)
6. [http://www.ipaustralia.gov.au/resources/forms\\_trademarks.shtml#tm\\_legreview](http://www.ipaustralia.gov.au/resources/forms_trademarks.shtml#tm_legreview)
7. Advisory Council on Intellectual Property, *Review of the relationship between trade marks and business names, company names and domain names*, 13 April 2006, p. 11. <http://www.acip.gov.au/library/TM,%20business,company,domain%20names-%20Final%20Report.pdf>, accessed 14 August 2006.
8. ACIP, *Review of the relationship between trade marks and business names, company names and domain names*, at p. 15.
9. id.
10. id.
11. id.
12. id.
13. Section 92, *Trade Marks Act 1995*. See: <http://www.oznetlaw.net/facts.asp?action=content&categoryid=239#4>, accessed 14 August 2006.
14. Subsections 7(4) and (5), *Trade Marks Act 1995*.
15. Arblaster, M., 'Trade mark law in Australia and New Zealand Harmonisation: the immovable object meets the irresistible force', *Intellectual Property Forum: Journal of the Intellectual Property Society of Australia and New Zealand* (65) June 2006, pp. 18-26, at p. 20.
16. 'Trade mark' is the spelling used in Australia and England whereas the term is spelled 'trademark' in the United States of America. The Trademark Law Treaty uses the American spelling.
17. *ibid.*
18. 'The New Singapore Treaty on the Law of Trademarks – What Does It Change?', *WIPO Magazine* (3) May-June 2006, [http://www.wipo.int/wipo\\_magazine/en/2006/03/article\\_0002.html](http://www.wipo.int/wipo_magazine/en/2006/03/article_0002.html) accessed 4 October 2006.
19. *ibid.*
20. <http://www.wipo.int/treaties/en/ip/singapore/>, accessed 4 October 2006.

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- 21 Burrell, R., 'The requirement of trade mark use: recent developments in Australia', (2005) 16 *Australian Intellectual Property Journal* 231 at p. 248.
- 22 Arblaster, M., op. cit., at pp. 20-21.
- 23 Arblaster, M., op. cit., at p. 22 citing TRIPS, Article 1.2.
- 24 Arblaster, M., op. cit., at p. 22 citing TRIPS, Article 1.
- 25 Arblaster, M., op. cit., at p. 22.
- 26 Arblaster, M., op. cit., at p. 23.
- 27 Allens Arthur Robinson, *Focus: Patents, Designs and Trade Marks – June 2006*, <http://www.aar.com.au/pubs/pta/fopdtjun06.htm>, accessed 14 August 2006. See Explanatory Memorandum, Trade Marks Law Amendment Bill 2006.
- 28 <http://www.aar.com.au/pubs/pta/fopdtjun06.htm>, accessed 14 August 2006.
- 29 [http://www.daslaw.com.au/publication\\_view.asp?publicationid=NjM2t](http://www.daslaw.com.au/publication_view.asp?publicationid=NjM2t), accessed 14 August 2006.
- 30 Allens Arthur Robinson, *Focus: Patents, Designs and Trade Marks – June 2006*, <http://www.aar.com.au/pubs/pta/fopdtjun06.htm>, accessed 14 August 2006.
- 31 *ibid.*
- 32 Allens Arthur Robinson, *Focus: Patents, Designs and Trade Marks – June 2006*, <http://www.aar.com.au/pubs/pta/fopdtjun06.htm>, accessed 14 August 2006.
- 33 Explanatory Memorandum, paras 78 and 79, p. 15.
- 34 *id.*

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