



**THE AUSTRALIAN FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS
FICPI AUSTRALIA**

15 April 2004

BY EMAIL

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Mr Jeff Roberts
Secretariat
Advisory Council of Intellectual Property
P.O. Box 200
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Dear Sir

**Re: ACIP Review Paper on the relationship between Trademarks
and Business Names, Company Names and Domain Names**

FICPI Australia is an organization drawing its members from registered patent attorneys in Australia that are proprietors or partners in patent attorney firms conducting business in Australia. FICPI Australia does not directly represent intellectual property owners but its members work directly and closely with such persons and the following comments are based on our members' experience in representing users of the Trade Mark, Business Name, Company Name and Domain Name registration systems.

We believe the background set out in the Discussion paper correctly identifies problems of confusion between Trademarks, Business Names, Company Names and Domain Names which have existed for some time.

The problem referred to in Item 3.1 and the Examples provided there are reflections of situations which have occurred in the past.

Our comments below follow the paragraph numbering used in the Issues Paper.

3.2.1

FICPI Australia believes that the educative measures presently in place have been shown to be ineffective in removing the confusion. Part of the failure to achieve the desired objects may result from the fact that these educative measures simply put the information in front of the company or business name applicant, without any necessity for the applicant to read the information or to take note of it. Simply enhancing the information currently available to business name and company name applicants, appears to us to have no prospect of being more effective at getting the information across.

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3.2.2

It seems clear to us that educative tools on their own will not successfully address the misconception as to the nature of business and company names, and that therefore some structural change will be required.

3.2.3

FICPI Australia believes that there are factors both in favour of and against abolition of the business name registers.

There can be little doubt that abolishing the registers would remove the possibility of those people who currently hold business name registrations from believing that the registration has attached to it some proprietary rights. We believe this is the predominant source of the misunderstanding by business name registrants which arise in relation to business names and trade mark registrations.

A secondary source of misunderstanding may come from the name "business name registration" itself. The use of the word "registration" may imply to the business name proprietor a registered right. If that were so, then revising the procedure to remove business name registration certificates, and replace these with a "Recordal Notice" in letter form, or the like, should go substantially toward removing that source of misunderstanding.

The factors that mitigate against abolition of the business name registers relate to the fact that the registers do provide information about particular names which are in use in Australia in respect of goods or services. In many cases the use is common law use which is not able to be ascertained in any other way.

However, to be of value, the business name registers need to be maintained in a condition in which they can provide reliable information on the state of the market place, in the particular State.

Furthermore, FICPI Australia believes that, in order to better ensure the information on the business name register is correct, the ability to act against inappropriate business name registrations needs to be significantly expanded. This issue is commented on below.

A perceived difficulty with the registers as they currently exist is that a business name registration can be renewed indefinitely whether or not it is in use, which tends to dilute the effectiveness of register checks.

It is the view of FICPI Australia that it should be necessary for a business name registrant to provide evidence of use at renewal, with appropriate provisions for dealing with the submission of false information. A suitable form of evidence would be declaratory.

We believe that if the business name registers can be converted into an accurate reflection of those trading names in actual use, including the provision of at least basic information regarding the user of the name, there is justification for retaining business name registers.

3.2.4

On a first assumption that business name registers continue and a second assumption that the cause of the misunderstanding of the relationship between business name registrations and trade mark registrations is the fact that the business name applicants are either:

- (i) unaware of the Trade Mark Register and trade mark registration rights, or
- (ii) simply assume that business name registration grant proprietary rights to them;

then we believe a mandatory trade mark Register search, at the time of making application for registration of a business name, has commendable merit.

It seems inevitable that unless business name applicants become aware of the superior rights given to trade mark registrations over business name registrations, they will continue to act on the mistaken belief that their business name registration allows them to use part or all of the business name as a trade mark in respect of goods or services.

This paragraph does not request any comment as to how such a trade mark search would be effected, but it is clear that if the searching is inadequate, or if provided in terms that are not able to be understood by the business name applicant, the search would be of little value. If this suggestion is to be pursued, there are numerous additional issues to be examined. Some of these issues are, who would conduct the search, what extent the search would have, what responsibility would be accepted by the searcher, and, apportioning of the cost of the search between the State and the applicant.

3.2.5

FICPI Australia sees advantages in establishing a central register for business names, if business name registrations are to be maintained. A primary benefit of centralisation is that there would be a uniformity of the application process, in which it would also be possible to ensure the same educative material is seen by all applicants.

We believe that while a central register is advantageous it should not be necessary for applicants to seek registration throughout all of Australia.

An application could be limited to a particular territory, either by choice or by the circumstances of the applicant at the time of the application. This would allow the same name to be registered by different parties in different States where the different activities of the two parties would not be in conflict and such parallel registration would be appropriate.

Following on from the previous paragraph we again support the need for a trade mark search, under the provisions previously expressed, for the central register.

3.2.6

FICPI Australia does not see any particular advantage or disadvantage with a central register for both business and company names.

3.2.7

As accurately reflected in the background to this issue, the Institute of Patent and Trade Mark Attorneys of Australia has already provided extensive submissions in relation to this question, which firmly suggest that a two-tier trade mark system would be disadvantageous and would

not address the confusion that exists in the business community as to the nature of the rights associated with business names as opposed to trade mark registrations.

Those submissions were in accord with those provided by the Law Council of Australia. FICPI Australia endorses those previous submissions.

One of the inherent problems with the automatic registration of a business name as a second tier trade mark, is that the concept of goods or services to which the mark is applied is not addressed in any way.

FICPI Australia does not see how such a system could address this issue, and we therefore see more confusion than currently exists arising if such a system were introduced.

With regard to the second part of the question, FICPI Australia cannot see any form which a two-tier trade mark system could adopt which would:

- (a) address the fundamental difficulties with such a system, or
- (b) alleviate the problems addressed by the present paper

4.1

In the setting out of the situation to be addressed by this paragraph there appears to be a belief that conflicts with domain names arise only out of bad faith. FICPI Australia notes that genuine conflict also occurs because only the one domain name is available across the entire range of goods and services to which the name may relate.

FICPI Australia believes that the auDRP appears to be having some effect in addressing bad faith conflicts where no use of the domain name has occurred, but that it also has limitations.

The limitations relate to the fact that the present process is somewhat ineffective against cyber-squatters because:

- (a) the domain name registrant has the opportunity to see the case put by the complainant, but the complainant has no recourse to address any new material or erroneous information provided by the registrant following lodgement of the case by the complainant;
- (b) the provision for supplementary submissions by the complainant are difficult, if at all possible, to enliven;
- (c) the complainant must bear all the cost of the panel appointed to determine the matter; and
- (d) at the end of the process there are no provisions for costs to be awarded against a cyber-squatter.

There also still appear to be still insufficient preventative measures being taken to avoid conflict problems arising in the first place. The inadequate application process for the registration of domain names has led to the majority of the problems so far, and these are still being addressed.

With regard to the second part of the question in this paragraph FICPI Australia has no comment.

4.2

To minimise the risk of the use of good faith domain name registrations infringing registered trade marks, FICPI Australia believes that it is necessary for the applicant for the domain name registration to be aware of registered trade mark rights, in the same way that an applicant for a business name registration needs to be aware of them, and to understand the potential for infringement of trade mark rights.

This appears to bring us back to either:

- (i) a search of the trade mark Register as part of the domain name registration process, or
- (ii) the basing of the domain name application upon a registered trade mark for the name or a substantial part of the name.

5.1

The Issues Paper correctly identifies the nature of the problem. Our submissions above in connection with paragraph 3.2.3 are relevant to this issue.

FICPI Australia believes that the problem would be partly solved through a requirement for a search of registered trade marks prior to registration of a company/business name and that a company/business name be in use as a precondition to renewal.

We would support a proposal that a remedy should be available for bad faith business or company name registration. At the moment, the case law suggests that an application may be made to a Court for an order that a business name registration be deregistered on the ground that the registration was obtained in bad faith. It would be preferable, in our view, if provision were made to bring similar sorts of proceedings before an administrative tribunal with an appropriate right of appeal.

5.2

Our comments in relation to paragraph 5.1 are relevant to this issue. FICPI Australia believes that some form of challenge should be possible, both to:

- (i) registration of a business name; and
- (ii) the renewal of an existing business name registration.

It would be appropriate in relation to item (i) above that a period of opposition to registration of a business name should be considered, with appropriate advertisement mechanisms during the opposition period.

For item (ii) above we believe that the two issues which are relevant at renewal of business name registration are:

- (a) a statement that the business name is actually being used, with appropriate substantiation; and
- (b) the opportunity for the renewal process to look at whether or not the registration was obtained in bad faith in the first place.

If these challenges were available, FICPI Australia believes that they would be a positive step towards removing or preventing misunderstandings, leading to conflicts, over the rights deriving from business name and company name registrations.

We would be pleased to expand upon or provide additional comments.

Advisory Council of Intellectual Property
15 April 2004

Yours sincerely
FICPI AUSTRALIA

A handwritten signature in black ink, appearing to read 'G. Chambers', with a large, stylized flourish at the end.

Greg M. Chambers
SECRETARY