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Mr Jeff Roberts
The Advisory Council on Intellectual Property
P O Box 200
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Dear Mr Roberts,

**ACIP Review on the Relationship between Trade marks, Business Names,
Company Names and Domain Names**

I refer to Professor Andrew Christie's letter of 16 January 2004 in which he invited input from the Intellectual Property Committee of the Business Law Section of the Law Council of Australia ('the Committee') into a review that the Advisory Council on Intellectual Property is conducting on the relationship between trade marks, business names, company names and domain names.

I have pleasure in enclosing a submission prepared by the Committee. Please note that whilst these comments have been endorsed by the Business Law Section they have not been considered by the Council of the Law Council of Australia.

Unfortunately, the Committee was not able to meet your deadline of 15 March 2004. However, the Committee sincerely hopes that you will consider its comments.

Yours sincerely,

Bob Gotterson QC

April 2004

Enc.

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**Response to the
ACIP REPORT on Business, Company and Domain Names**

The Intellectual Property Committee of the Business Law Section of the Law Council of Australia [“IPC”] is grateful for the opportunity to comment on the Issues Paper released by ACIP, “ A Review of the relationship between trade marks, business names, company names and domain names”.

Please note that these comments have been endorsed by the Business Law Section but have not been considered by the Council of the Law Council of Australia.

This is by no means the first consideration of these issues by ACIP and the IPC has already made submissions on a number of the issues now raised by ACIP in its response to the paper on Trade Mark Enforcement. .

The problems identified by ACIP are, in the opinion of the IPC, both real and important. At the outset it is important to emphasise that the IPC does not believe that there is any way of preventing people from adopting names which may, in use, constitute an infringement of the rights of trade mark owners. Education may go some way towards alerting people to the risk they run if they adopt a business name, company name or domain name which is the same, or very close to, a trade mark. However, a variety of educational initiatives have been discussed since the early 1980’s and a number of attempts have been made to increase public awareness of the need to carry out appropriate searches before a business name , company or domain name is adopted . To date, all of these attempts have made little, if any, difference.

The IPC believes that the registration of business names and company names raises an expectation amongst owners and their advisers that the registration creates some kind of right to use the name. This can give rise to serious problems for SMEs and individuals if they find that another person is able to prevent use of the registered name because of prior rights as the owner of a trade mark. The IPC believes that a great deal more should be done to warn applicants of these risks at the time registration is sought. It also suggests that one way of bringing the limited nature of a name registration to the attention of the owner might be to place a warning on the certificate of registration itself.

The IPC believes that:

- the adoption of a central register; and

- the introduction of an administrative procedure to allow the registration of a business name or company to be challenged; and
- a greater governmental commitment at State and Federal levels to raising public awareness of the importance of completing appropriate searches before a new name is adopted

should, in combination, go some way to reducing the current problems.

The IPC proposes to comment on each of the requests for comment made in the paper.

3.2.1.and 2 Is the information presently available regarding business and company names, adequate and, do educative tools exist which are not currently utilised, and which would, if utilised, enhance clarity in this area?

The IPC does not believe that sufficient effort is made to alert people seeking registration of business and company names to the risks they run if they do not carry out adequate searches but it has reservations about the extent to which “educative tools” can, of themselves, overcome the problems which exist at present. Education is clearly part of the answer but there is a limit to what it can achieve; the IPC does not believe that it can ever be sufficient in itself. The present educative tools do not, in the opinion of the IPC focus sufficiently clearly on informing people that registration of a business name or company name does not give a proprietary right or provide a defence to action by the owner of a registered trade mark.

3.2.3 Would the abolition of the state/territory business name registers go some way to alleviating misconceptions as to ‘rights’ conferred by registration of a business name?

The IPC does not believe that the abolition of the state and territory business name registers would remove the present difficulties. It does, however, believe that the abolition of the state and territory registers, and the introduction of a central register, would significantly reduce the cost of maintaining business name registrations and should make it easier for people wishing to apply for name registration to carry out a search.

3.2.4 Should a trade mark search be made a condition of business or company name registration?

In theory the IPC supports the suggestion that a trade mark search should be a pre-requisite to registration of a company or business name. However it believes that there are a number of practical considerations which would make such a proposal unworkable, for example:

- the additional administrative costs to SMEs and individuals;

- the risk that search results will not be properly analysed so that people will not be able to make a proper assessment of the risk to them;
- the difficulty of ensuring that any search compares apples with apples rather than apples with pears. The same word mark can exist on the trade mark register in different classes owned by different people as long as there is no likelihood of use causing deception or confusion. Any search of the Trade Marks Register as a pre-requisite to registration of a company or business name would either have to ignore this kind of subtlety, and rely simply on an exact match search, or it would have to take account of the proposed use of the name and the likelihood of use causing deception or confusion. In the IPC's opinion the first alternative would be harsh and oppressive for those seeking registration of a name, the second would be too time consuming and expensive.

If a means could be devised for carrying out a compulsory search of the Trade Marks Register which was fast, inexpensive, and which would not give rise to unrealistic expectations or to misconceptions, the IPC believes that it would be worth considering.

3.2.5 and 6. Should the state and territory business name registers be replaced by a central register? Would a central register alleviate the misconceptions as to the legal nature of business names and minimise the possibility of trade marks infringement.? [see 3.2.3 above]

The IPC believes that the establishment of one register on which the present state and territory registers could be amalgamated may reduce administrative costs for owners thereby benefiting SMEs and individuals. However, the IPC considers that a central register of business names would not in any way alleviate the misconceptions as to the legal nature of business names nor will it minimise the possibility of trade mark infringement.

3.2.6 See above

3.2.7 Should a two tier trade mark system be introduced in Australia? Would such a system address the misconceptions as to the nature of business names and company names, by providing an (albeit limited) exclusive right to the use of those names?

The IPC is totally opposed to the proposal that there might be a two tier trade mark system in Australia for reasons already given in its response to the Trade Mark Enforcement Paper.

A two-tier trade mark system would not, in any way, address the current misconceptions as to the nature of business and company names. On the contrary, the IPC believes that the introduction of a two tier trade mark system, with company and business names *automatically* being afforded

registered trade mark status on a secondary register, would seriously disadvantage SMEs and individuals as they would be encouraged to think that the registration gives the owner an exclusive right to the name. The IPC believes that a two tier trade mark system has nothing to commend it and it believes that to describe something which has no “capability of distinguishing” as a trade mark would seriously undermine the existing trade mark system and would give rise to unrealistic expectations in the owners of such registrations. The IPC also questions whether legislation introducing such a system would be constitutional as the “thing” created would clearly not be a trade mark.

In the comments under 3.2.7 ACIP suggests that the criticisms of the two tier proposal in the previous ACIP paper made in the submissions of the Law Council and IPTA are not apposite to the current proposal. The IPC thinks that it is important to remind ACIP that members of the IPC were participants in the workshops in Sydney and Melbourne. It is their understanding, and this is borne out by the written submissions made in response to the earlier paper, that the criticism levelled at the two tier proposal were not motivated by concern that people might be persuaded to choose the cheaper option when they should be using the more expensive model. Rather, the criticisms were a condemnation of the entire concept as one which would disadvantage users of the system by creating confusion and uncertainty.

4.1 Comments on the general effectiveness of the auDRP and the remedies available on cancellation or transfer of the domain name.

The present system seems to be working well and the IPC does not propose any change. The IPC is not aware of complaints being made in bad faith under the auDRP and it believes that the upfront cost of such actions, and the requirement that a statement be made in support of an application, is sufficient to deter people from making unjustified claims.

4.2 Is there an issue in Australia of good faith registration and use of a domain name sometimes constituting infringement of a registered trade mark and, if so, what measures should be taken to minimise the likelihood of such trade mark infringement?

The IPC believes that there is clearly a risk that use of a domain name registered in good faith will infringe a registered trade mark. It believes, however, that existing trade mark law, as evidenced in the decisions of the Federal Court, and auDRP processes, provide an appropriate solution. It therefore considers that no further measures should be taken.

5.1&2 Should federal legislation allow business or company name registration to be challenged? If so, on what grounds should such challenges be permitted?

The IPC questions whether the federal government has the power to establish a system under which business names might be challenged. However, ignoring the constitutional issues which might affect any proposal for change, the IPC agrees that the present system, which requires costly court proceedings to resolve conflicts between the owner of a business/company name and a trade mark, is unsatisfactory. An administrative process which would allow the registration of a business name or company name to be challenged in a cost effective and timely manner would benefit all users of the system.

The IPC would support the introduction of a process similar to that established by the auDRP and it does not believe that there is any reason for restricting such a process to instances where the name has been registered in bad faith.