

15 March 2004

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Mr Jeff Roberts
Secretariat
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Dear Sir

Comments on ACIP Issues Paper: "A review of the relationship between trade marks and business names, company names and domain names"

We refer to the above paper. We are pleased that ACIP has addressed this long problematic issue. The Perth office of Minter Ellison offers the following comments. References to paragraphs refer exclusively to the above paper:

1. In relation to paragraphs 3.2.1 and 3.2.2, we are involved in the educative process in relation to our clients and the Western Australian community at large with respect to the limited nature of business name registrations. We subjectively perceive that there is an endemic misconception amongst not only SMEs but also large private companies and even listed companies. This no doubt stems from the extremely poor priority given to intellectual property generally by Australian commerce, as detailed in the Australian Graduate School of Management's report entitled "The management of intellectual property in Australian organisations"¹. We have formed an opinion that educational efforts are not given weight by participants in industry, and that only a major restructure of the system will focus the attention of industry participants upon the distinction between trade marks and business names.
2. In relation to paragraph 3.2.3, the abolition of business name registers is a suggestion we support entirely. Much of the purpose of business name registration is to provide information such as that detailed in paragraph 3.2.3 concerning the business to members of the public. This information is for the most part duplicated in the Trade Mark Registry, and such needless duplication would follow if a central registry was adopted in accordance with the question posed in paragraph 3.2.5. The only disadvantage to the abolition of state-based business name registers and reliance upon the information contained in the trade mark register is that a large number of traders use unregistrable trade marks as an indicator of trade source, or a "badge of origin".² Such marks are

¹ http://www.ccc.agsm.edu.au/papers/symposia/IP_in_Aust_Organisations.pdf

² *Arstoc Ltd v. Rysta Ltd* [1945] AC 68 at 89.

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typically unregistrable because they are not inherently adapted to distinguish³, for example, "WA Doors" or "Bins Plus", but may have substantial reputation or goodwill in the name established through substantial use or promotion of the mark. In *Clark Equipment Co v Registrar of Trade Marks*⁴ Kitto J noted the paradox that the more suitable and apt a word is to describe goods or services, the less likely it is to be inherently adapted to distinguish. This is because it is more likely that other traders will think of it and want to use it. While such marks are not appropriate for protection as trade marks under the current legislative regime, they should not be barred for use by traders who wish to take the commercial risk of using an unregistrable trade mark in the course of trade.

3. We consider the re-introduction of a two tiered trade mark system addresses this issue. Such a system was in place in Australia under section 25 of the *Trade Mark Act* 1955, and was abolished by the new *Trade Mark Act* 1995⁵. The abolished Part B of the Register allowed marks to obtain a lesser level of protection than marks in Part A of the Register, provided that the mark could be shown to be "capable of becoming distinctive". There is the additional advantage of the existence an established body of law dealing with Part B of the old register, pre-dating 1995. We note that the proposal for a two tiered system may be the subject of criticism by industry stakeholders. We argue in response that the current overall system of business name registrations, ASIC corporation names and trade marks is self-evidently confusing to members of the business community, and is an effective three-tiered system managed by three different pieces of legislation. A two tiered system will increase awareness of the importance of trade mark protection, and we think will lessen trade mark disputes and consumer confusion in the long term. While a two tiered system would allow state governments to dispense with the business name registration system, we do acknowledge that the implementation of a two tiered system is out of line with international practices⁶. Legislative regimes in other countries is important in the administration of Australia's trade mark system because of the requirements of the World Trade Organisation's Trade Related Intellectual Property agreement (TRIPs), and other international treaties dealing with trade marks such as the Madrid system of international registration of marks⁷. TRIPs does not envisage a two tiered trade mark registration system, but neither is such a system prohibited. We see no issue with the implementation of a two tiered system in so far as it affects international trade mark law, provided that:

- (a) Part B registration would not give owners of a Part B mark the right to the ability to extend the mark overseas; or
- (b) a superior claim to a mark registered in the equivalent of Part A in another jurisdiction.

4. In relation to paragraphs 4.1 and following, we support the auDRP and its reliance upon evidence of intellectual property rights in the administration of domain names and dispute resolution concerning domain names. Any dispute arising through good faith

³ s41 of the *Trade Mark Act* 1995.

⁴ (1964) 111 CLR 511 at 517

⁵ See Shanahan, D.R., *Australian Law of Trade Marks and Passing Off* (1990) pp131 – 137.

⁶ The last Part B register in foreign jurisdictions known to us was in the Hong Kong Special Administrative Region of the People's Republic of China, and was effectively abolished on 4 April 2002.

⁷ <http://www.wipo.int/madrid/en/index.html>

registration should continue to be resolved in the same manner as any other trade mark or passing off dispute.

5. In relation to paragraph 5.1 and following, we note that bad faith registration of business names and company names has not been adequately addressed in the legislation. A bad faith registration is ordinarily be dealt with by expensive and time consuming trade mark proceedings in the Federal or Supreme Courts. We support the establishment of a cost effective legislative mechanism by which ASIC or a business name registry can expunge a name upon evidence of a certificate of trade mark registration from an aggrieved party. This would be of benefit in the protection of the goodwill of businesses as well as the prevention of confusion amongst consumers.

Please contact David Stewart of our office if you have any questions or seek further comments.

Yours faithfully

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