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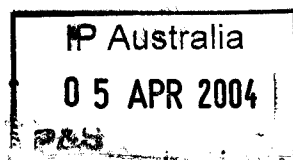
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Mr Jeff Roberts
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Dear Mr Roberts

REVIEW OF THE RELATIONSHIP BETWEEN TRADE MARKS AND BUSINESS NAMES, COMPANY NAMES AND DOMAIN NAMES

I refer to the letter of 16 January 2004 from Professor Andrew Christie relating to the review of the relationship between trade marks and business names, company names and domain names.

I offer the following response on behalf of the South Australian Office of Consumer and Business Affairs (OCBA) the Issues Paper of January 2004.

3.2.1 Educative Measures

Are present educative measures about the legal nature of business and company names adequate?

OCBA is not aware of any significant problems within the South Australian marketplace caused by confusion between trade marks and business names, company names and domain names. However there appears to be evidence of confusion and uncertainty about the purpose of registering (for example) a business name, what each of those things represents at law, and what rights may accrue in favour of the proprietor of any of them as a result.

OCBA provides information on its web site about business names, trademarks and domain names, and includes a reference to trade marks on the Application for Registration of a Business Name. Staff from OCBA and IP Australia have established a close liaison with a view to gaining a better understanding of each other's roles and responsibilities.

There are educational tools not currently being utilised such as sending out flyers and general information materials with an application form and a renewal notice. However



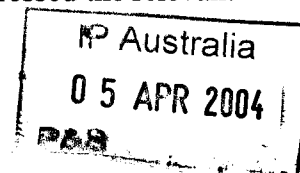
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there is a concern from OCBA's point of view that, when a proprietor's main focus is on securing the required registration, there might be "information overload" and the proprietor may not look at any additional information provided.

3.2.2 Structural Change

Can educative measures alone address the misconception as to the legal nature of business and company names?

OCBA in principle does not support any structural change and has addressed the relevant issues as outlined below.



3.2.3 Abolition of the Business Names Registers

Should the state/territory business names registers be abolished and, if so, what information should be required to be disclosed?

OCBA is strongly of the view that the business names register is a key factor in consumer protection in South Australia. The business names register is a public register which has as its primary purpose the provision of an avenue for people to ascertain relevant particulars of the proprietors behind the registered business name. Most significantly, the register continues to offer the ability to determine the proprietors of a business, where there may otherwise be a failure or refusal to disclose by a proprietor. The *Business Names Act 1996* offers further protection to the public of South Australia, such as the prevention of undesirable words being used in a business name. OCBA is also examining measures, such as shorter registration and renewal terms, with a view to protecting the accuracy and currency of the register.

The abolition of the register in exchange for certain information to be disclosed (at the trading premises or in business letters etc) seems to weaken the consumer protection offered by the current system. It does not appear to provide any means to address effectively:

- The need of a potential litigant or claimant to obtain historical data;
- Incomplete disclosure by the relevant proprietor;
- Incorrect disclosure by the proprietor;
- The potential impacts of any incorrect or incomplete disclosure on the contractual positions of relevant parties.

The abolition of the business names register does not appear to address the problem caused by the apparent confusion between trade marks and business names, company names and domain names. If a proprietor of a business believed that they had certain rights conferred by the registration of a business name, it would be reasonable to assume that the proprietor would believe the same rights would apply to a business name complying with a negative registration system.

OCBA opposes the abolition of the business names registers.

3.2.4 Mandatory Trade Mark Register Search

Assuming there is merit in the continued existence of the business names registers, should a trade mark register search be made a condition of business or company name registration?

Currently OCBA asks for three names on an application form and if the applicant's first choice is not available, the second and subsequent preferences are assessed to the extent necessary. OCBA's practical experience indicates that, quite often, an application for registration is one of the last tasks performed by the proprietor, who is, commonly, ready in all or most other respects to commence trading at the time of making the application. The proposal does not deal with the practical issues of whether the proprietors would be capable of adequately searching the trade mark register, whether they would need to employ the services of a trade mark attorney, what costs might be involved, and what delays might be caused by such a requirement. OCBA's experience indicates that delays, complexity or perceptions of either would be considered by proprietors to represent adverse change.

A compulsory search of the Trade Mark Register would also drastically impact on the processing time and cost of an application for Registration of a Business Name. If it is proposed that the registering authority undertake the search of the Trade Mark Register as part of the processing of the application, it would be resource-intensive both in terms of costs and staffing. This will increase the cost of an application for Registration of a Business Name and add to processing time in granting approval of the registration.

An alternative may be for IP Australia to write to the proprietors of all new registered business names promoting the importance of trademarks. This may also highlight at early stage any possible trademark infringements. There would need to be a cost-benefit analysis of this proposal. OCBA would be prepared to investigate cooperative approaches to this issue.

OCBA opposes the proposal of a mandatory trade mark register search.

3.2.5 Central Register for Business Names

Should the state/territory business names registers be replaced by one central register? Would a central register alleviate the misconception as to the legal nature of business names?

The National Names Index is a form of a central register for business names and company names throughout Australia. Applicants can search the National Names Index to see if a business name or company is registered anywhere in Australia.

OCBA does not believe that a central register would in any way alert businesses to, nor minimise the possibility of a registered trade mark infringement.

Without appearing to support the proposal for mandatory trademark searches, OCBA notes that, if a trademark register search were to be made a mandatory part of the process of registration, then, as the registers stand at present, any possible trade mark infringements would be raised, regardless of whether there were individual state registers or one central register.

Over recent years, each state and territory has spent considerable sums of money developing its own computer systems. The cost of moving to a centralised register would be considerable, but would be incurred without additional benefit being derived. The cost of developing a new system does not seem warranted when there does not appear to be any benefit by doing so.

OCBA does not see any benefit in a central business names register, and notes that a proposal of this nature does not appear to be able to address any problem of confusion between trade marks and business names, company names and domain names.

3.2.6 Central Register for Both Business and Company Names

Were there to exist one central business names register, should it be connected to the company names register to form one central register for both business and company names?

OCBA does not see any benefit in a merged central business names register and central companies register for the same reasons as outlined in 3.2.5

3.2.7 Two-Tier Trade Mark System

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

The Issues Paper does not address how the two-tier system (whereby registration of a business or company name automatically constitutes registration as a second-tier trade mark) will alleviate problems caused by any confusion between trade marks and business names, company names and domain names.

Some of the questions that the Issues Paper does not address:

- What rights the second tier of a two-tiered system may afford the proprietors of a registered business name;
- How a two-tier system would address the potential conflicts between existing registered business names and registered trade marks;
- The fact that a registered trademark in one class does not necessarily preclude registration of a business name that proposes to trade in another class.

- The potential for every applicant for a business name to have to search the trade mark register.

OCBA is not satisfied that the proposal would adequately address any problem of confusion, or that the proposal addresses the primary purpose of the business names register. OCBA does not support the introduction of a two-tier trade mark system.

4.1 The Problem of Bad Faith Registration of a Domain Name and the auDRP

Has the auDRP been effective? Are the remedies of cancellation and transfer of domain names adequate?

Is there a real problem of complaints being made under the auDRP in bad faith? If so, how can this be prevented?

OCBA is not able to offer any comment in relation to this problem.

4.2 Trade Mark Infringement Through Use of a Domain Name

Is there a real issue of infringements of registered trade marks through good faith domain name registration and use? If so, could measures be taken to minimise the likelihood of trade mark infringement?

OCBA is not able to offer any comment in relation to this problem.

5.1 The Problem of Bad Faith Registration of a Business Name/Company Name

5.2 The possibility of Challenges to Business/Company Name Registration

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

The South Australian *Business Names Act 1996* provides for the right of appeal to the District Court. Any person aggrieved by an act or decision of OCBA, as the registering authority, may appeal to the District Court within 21 days of the act or decision. The Act therefore provides an avenue of appeal if the owner of a trademark, who has notice of the registration of the business name, believes that the registration of the business name is undesirable because of the possibility of a trade mark infringement.

There are a number of issues that will require further examination in relation to this proposal, including:

- Whether the Federal Government has the constitutional power to make such legislation;
- The proposal in the Issues Paper that the “bad faith registration of a business name might be addressed in a non-litigious setting and recourse may not require trade mark infringement to have already occurred”, indicating that opposition

proceedings may occur prior to a business name registration, but not addressing the need for the issue to come to the attention of the trademark owner for this to take place.

OCBA is of the opinion the current appeal processes are sufficient.

General

OCBA is of the opinion that many of the issues raised do not address the problem of any confusion between trade marks and business names, company names and domain names. OCBA is of the view that educative programs, aimed at raising the level of understanding of what is a trade mark and it's importance, would be a significant first step towards addressing such confusion as may exist.

As OCBA has done in the past, it will be happy to work with IP Australia to support and promote educative programs. It may be necessary to ascertain the current level of understanding of trademarks within the market place to ensure that any educative program is aimed at the right level.

In addition to the above, I advise that OCBA is currently assessing the viability and benefits of the Registration Unit and IP Australia being co-located, or further developing the long-term relationship between the two bodies.

If you have any questions concerning the above, please contact Mr Barry Colquist, Supervisor Registration, OCBA on (08) 8204 9653.

Thank you for the opportunity to have input in to this review.

Yours sincerely



Mark Bodycoat
Commissioner for Corporate Affairs