

OUR REF: LE3089
YOUR REF:

15 March 2004

Jeff Roberts
The Advisory Council on Intellectual Property
PO Box 200
WODEN ACT 2606

Dear Mr Roberts

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

Thankyou for the opportunity to comment on the above issues paper released January 2004.

The paper is a timely and thorough summary of the major issues and provides an opportunity for those involved in the regulation of business to consider future options to reduce the risk for proprietors on those occasions where they select a name that is likely to infringe on the rights of a Trademark holder.

General comment

Many of the issues raised in the paper have been raised previously by IP Australia, however, on most occasions where the alleged infringement of a trademark has occurred in Tasmania, the business name proprietor has changed their business name immediately. To our knowledge very few proprietors continue to run the risk of further legal process. I therefore wonder how often these matters go beyond the point of a notice of infringement.

Overall, there have been very few instances where a business name proprietor has contacted this office with difficulties resulting from their alleged infringement of a trademark.

However, on the occasions where such matters arise they are often awkward and costly to resolve. The cost for the proprietor of the rogue business name may be significant and for this reason I believe it is important that we give due consideration to the issues in the paper and to any reasonable changes that may overcome or minimise the occurrence or risk.

While changing a business name following the notification of an infringement is not an ideal method of dealing with these matters, I would resist any change to business name determination that is likely to create undue delay and cost for the business community. I believe any decision to amend the business name regime should be carefully measured against the likely detrimental affect of the delays and costs associated with implementing a trademark driven environment. It is very important to consider the volume of the issue and to structure processes to meet businesses needs.

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To this end, I have not commented on the points made in the paper other than to say that they are all matters that require regular consideration. I have been in contact with managers from other jurisdictions who will provide responses to the points raised in the paper that to a degree mirror my own thoughts. I therefore see no benefit in providing a similar response.

The paper focuses on the work of other organisations, but does not address what other functions IP Australia could undertake in order to support Trademark holders to reduce the cost to business.

I have outlined below what I believe to be the missing link between Trademark registration and education of the community on a Trademark holders rights.

Active compliance regime

For many years business names administrators have provided warnings on applications, sent printed material with new registrations, and displayed IP Australia promotional material etc.

In Tasmania's case, this approach has been relatively successful, but it has limitations and relies heavily on applicants and their advisors understanding the risk associated with breaching trademark law and the likelihood of an applicant's business name being detected and subsequent legal action occurring.

Similar compliance issues confront business name administrators across Australia. In a number of jurisdictions these problems are gradually being overcome through active compliance regimes. In Tasmania we have introduced an active compliance regime, which has resulted in a greater likelihood of an unregistered business name being detected. As a result the number of traders unaware of the Business Names Act's requirements is gradually being reduced.

I believe business name proprietors make the decision not to search for similar trademarks for two reasons, either they consider it is too time consuming or they are prepared to run the risk of detection.

The current framework has its faults but to a degree these faults exist because IP Australia plays no real role in compliance or enforcement. Instead this responsibility is placed on the holder of the Trademark. Perhaps in an ideal world this is where the responsibility should lie, however, if as the paper suggests there is a problem worthy of major change, then perhaps IP Australia should look first at its scope before introducing the kind of major structural amendment proposed in the paper.

I contend that if business names proprietors were identified during the application process or at worst, shortly after a possible infringement, it would have the effect of motivating everyone involved in the process (including business names administrators, legal and financial advisors and business name proprietors).

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In summary, the issues raised in the paper are issues that must be considered from time to time, however it is my belief that IP Australia needs to reconsider its role in the administration and support of Trademarks holders, and if feasible introduce an active compliance regime. If the regime merely notified business name proprietors of a possible infringement it would be a dramatic improvement on the current regime.

Should you wish to discuss any of the matters raised please contact me on 03 6233 2829.

Yours sincerely

Kerry Shepherd
MANAGER

G:/Business Affairs/Business Names/Correspondence/Trade Marks Paper response