

# The Registered Trade Mark System: Origins and Rationale

## CHAPTER

# 17

## INTRODUCTION

**17.1** Our registered trade mark system grew out of the common law action of passing off. The creation of a register was ostensibly intended to obviate the need for a trader to prove afresh in each case all of the elements of passing off. A registered owner can win an infringement action without proving that it has any goodwill or reputation associated with its trade mark and without necessarily proving that the defendant's conduct is actually deceiving consumers. Rather than goodwill or reputation being the subject of protection as with passing off, it is the insignia of goodwill, specifically 'trade marks', that have become the focus, and a registered trade mark is property in its own right. Section 21 of the Trade Marks Act 1995 (Cth) so provides. With this transition came one of the great tensions of trade mark law: whether the trade mark system should become a 'true' intellectual property system, with thresholds for protection incorporating an element of innovation in the trade mark itself, leaving common terms and symbols free for others to use. At the other end, the question was to what extent registration should confer a kind of indefeasible title on the registered owner — an exclusive right against non-authorized use even without proof of likely deception or confusion. Such issues are of ongoing concern and underlie past and present efforts to reform Australian trade mark law.

**17.2** The importance of trade marks in everyday life cannot be exaggerated. As Marshall Leaffer observes in 'The New World of International Trademark Law' (1998) 2 *Marquette Intellectual Property Law Review* 1 at 4:

Trademarks have become even more fundamental in our commercial lives due to the basic changes taking place in the intensely competitive international markets in consumer goods. When compared to the market that existed a few decades ago, today's consumer demands variety, quality, and constant novelty. To meet these demands, businesses tailor their products to smaller and increasingly heterogeneous, niche markets. Consequently, the incentive exists to search for the least expensive location to manufacture the product that will enable the business to compete in global markets. In this fluid environment, the trademark originator's intent to expand beyond the original market should be presumed.

Significant changes in the production and marketing of consumer goods have occurred since the 1970s. Formerly, companies seldom revamped their product lines. The difference today is startling. Take, for example, two heavily advertised products, sneakers and automobiles, and consider how many models were available twenty-five years ago for each. The likely answer is only

a handful. Today, in comparison, Nike introduces new sneaker models every six weeks. Peruse any Sunday newspaper supplement and one finds hundreds of models of automobiles for sale ... This new world of international trademarks has created intense demands on trademark owners. When models proliferate and product lines are constantly being revamped, relentless pressure is imposed on a company to create a constant flow of new trademarks.

**17.3** It has been said that the primary economic function of trade marks is to help consumers find products they know and like, at the same time giving producers incentives to maintain quality standards: see, for instance, W Landes and R Posner, 'Trademark Law: An Economic Perspective' (1987) 30 *Journal of Law & Economics* 265, quoted by William Fisher at 1.12E. But now, as Leaffer goes on to note, trade marks have a broader function, operating as 'convenient symbolic shorthand' in efficiently providing a raft of information about intangible and unobservable features of goods and services, including those not yet experienced by consumers. In fact, according to Frank Schechter, writing in 1927, trade marks may actually 'sell' products through their mere promise of quality: 'The Rational Basis of Trademark Protection' (1927) 40 *Harvard Law Review* 813. Thus, trade marks are an important part of the innovation matrix — speeding up the process by which, in Lord Diplock's terms, Emerson's 'better mousetrap' reaches its market: see 16.1. Cultural studies commentator Rosemary Coombe goes further. Trade marks, she says, are [t]he quintessential self-referential sign or post-modern cultural good ... "What's good for General Motors is good for America", General Electric "brings good things to life", and Coca-Cola is "the real thing". These signifiers serve as the locus of a capital's cultural investments and social inscription ... and provide important cultural resources for the articulation of identity and community in Western Societies where many traditional ethnic, class and cultural indicia are fading ...': *The Cultural Life of Intellectual Properties*, Duke University Press, Durham, NC, 1998, pp 55–7. One of the more recent examples of such a trade mark would be the Apple trade mark for various communication devices. A similar but far more critical approach to the importance of the image attaching to trade marks, as opposed to the goods or services in relation to which they are used, is provided in Naomi Klein's *No Logo*, Picador, 2002.

Certainly, trade marks can constitute extremely valuable intangible assets, and in some cases represent a significant proportion of a company's market value: see further <<http://www.top-10-list.org>>. Google, the top-ranked brand on the list, is valued at about US\$66 billion. Other high-value brands include Microsoft and the Coca-Cola brand. How much of these values do you think comes from a representation, or promise, of product quality, and how much from the image (or images) they present?

### 17.4 Further reading

R Brown, 'Advertising and the Public Interest: Legal Protection of Trade Marks' (1948) 57 *Yale Law Journal* 1165

S Carter, 'The Trouble with Trademark' (1990) 99 *Yale Law Journal* 759

F Cohen, 'Transcendental Nonsense and the Functional Approach' (1935) 35 *Columbia Law Review* 809 (at 814–17 especially)

W Cornish and J Phillips, 'The Economic Function of Trade Marks: An Analysis with Special Reference for Developing Countries' (1982) 12 *International Review of Industrial Property and Copyright* 41

M Cozzolino, *Symbols of Australia*, Cozbooks, Coburg, Vic, 1980 (A fascinating pictorial examination of early Australian trade marks — one that shows as much about our social and cultural history as about the marks themselves.)

- M Davison, T Berger and A Freeman, *Shanahan's Australian Law of Trade Marks and Passing Off*, 4th ed, Lawbook Co, Sydney, 2008
- M Davison, A Monotti and L Wiseman, *Australian Intellectual Property Law*, 2nd ed, Cambridge University Press, Melbourne, 2011
- S Diamond, 'The Historical Development of Trademarks' (1975) 65 *Trademark Reporter* 265
- R Dreyfuss, 'Expressive Genericity: Trademarks as Language in the Pepsi Generation' (1990) 65 *Notre Dame Law Review* 397
- M Gabay, 'The Role of Trademarks in Consumer Protection and Development in Developing Countries' [1981] *Industrial Property* 102
- J Gaines, *Contested Culture: The Image, the Voice, and the Law*, University of North Carolina Press, Chapel Hill, 1991
- A Kozinski, 'Trademarks Unplugged' (1993) 68 *New York University Law Review* 960
- J Litman, 'Breakfast with Batman: The Public Interest in the Advertising Age' (1999) 108 *Yale Law Journal* 1717
- M Richardson, 'Trade Marks and Language' (2004) 26 *Sydney Law Review* 193
- F Schechter, *The Historical Foundations of the Law Relating to Trade Marks*, Columbia University Press, New York, 1925
- D Shanahan, 'The Trademark Right: Consumer Protection or Monopoly?' (1982) 72 *Trademark Law Reporter* 233
- B Sherman and L Bently, *The Making of Modern Intellectual Property Law*, Cambridge University Press, 1999 (Ch 10 especially)

## ORIGINS OF THE REGISTERED TRADE MARK SYSTEM

**17.5** Since the protection offered to common law trade marks under the law of passing off is based in protecting proprietary rights in reputation, rather than trade marks themselves, a searching inquiry into the meaning of 'trade mark' could be avoided in **Chapter 16**. But when it comes to the registered trade mark system it is essential to understand how the subject matter is characterised. In fact, there has been little change in the conception of a 'trade mark' for statutory purposes since the inception of the system. The following account comes from Dr Arpad Bogsch, (then) Director General of the World Intellectual Property Organization (WIPO), *The First Hundred Years of the Madrid Agreement Concerning the International Registration of Marks*, WIPO, Geneva, 1991, at 15:

Trademarks and service marks are amongst the oldest forms of recorded intellectual property, going back to ancient times. It is not possible to date with any precision the origins of marks. The earliest form of identification mark seems to have been the branding of livestock with some design — a practice which pre-dated literate societies. But marks were certainly used in some form in various periods and societies of Antiquity in Europe and Asia. Pottery in Ancient Greece and Rome, and later, porcelain in China, could bear the maker's name. Also bricks and tiles in Ancient Egypt, Mesopotamia and Rome might bear the maker's name, the factory mark, or the geographical origin of the material. Masonry was marked in various ways — with quarry marks indicating the source of the stone, or with stonemasons' signs for the purpose of either identifying individual masons, or assisting stoneworkers to claim their wages.

Throughout history, the development of the use of marks for purposes more sophisticated than just identification has been assisted by international trade; the spread of trade further and

further away from the centers of production of goods, to the point of exporting them beyond seas and land frontiers, has always been conducive to marks acquiring a certain advertising function, as well as to their more extensive use for the examination of claims made by producers, merchants, retailers, transporters, or customers.

...

The Industrial Revolution of the eighteenth and nineteenth centuries, by transforming methods of production, transportation and ultimately consumer markets, definitively established the importance of industrial property systems. In the field of marks, the sheer scale of production, dissemination of information, and distribution facilitated by technological progress made producers, retailers and consumers increasingly aware of the need to identify goods. International trade, on a scale hitherto unknown, again reinforced the needs for controls, whether for the purpose of protection for producers, or for the purpose of enabling consumers to select the type and quality of goods they required. By the middle of the nineteenth century, there was growing recognition, in the way marks were used, of all the characteristics of modern marks — namely, identification, a guarantee of consistency in the thing provided, and an advertising capacity, in a world of expanding markets.

**17.6** Although, as Bogsch notes, trade marks have taken on a broader role than just ‘identification’, as much (if not more) concerned with guaranteeing consistency of quality, and ‘advertising’, it is the former function which has historically been the focus of Anglo-Australian trade mark statutes and, therefore, trade mark law.

## The early Acts

**17.7** Despite lobbying by 19th-century traders for a trade mark registration system modelled on the designs and patents systems, the Merchandise Marks Act 1862 (UK) did not establish a registration system but provided simply for criminal penalties in respect of the fraudulent marking of merchandise. However, 13 years later, the Trade Marks Registration Act 1875 (UK) established a register of trade marks and provided for exclusive rights in respect of particular goods or classes of goods. To be registered and thus entitled ‘to institute any proceedings to prevent infringement’ (per s 1), a ‘trade mark’ had to consist of one or more of the following ‘essential particulars’ per s 10:

- a name of an individual or firm printed, impressed or woven in some particular and distinctive manner;
- a written signature of an individual or firm;
- a distinctive device, mark, heading, label or ticket;
- any letters, words or figures, or combination of them, added to one or more of the preceding particulars; or
- any special and distinctive word or words or combinations of figures or letters used as a trade mark before the passing of the Act.

Registration was *prima facie* evidence of the registered proprietor’s right to the exclusive use of the mark in question (s 3); after five years, this was conclusive evidence so long as the proprietor continued to be the owner of the goodwill of the business with which the mark was associated (ss 2 and 3).

**17.8** The trade mark system established under the 1875 Act was successful in attracting a large number of registrations. Eventually, it was superseded by the Patents, Designs and Trade Marks Act 1883 (UK) which also added a new category of registrable mark as being ‘a fancy word or

words not in common use': see s 64. After considerable litigation, this new category was amended in 1888 to read: 'an invented word or invented words, or a word or words having no reference to the character or quality of the goods, and not being a geographical name'. The explanation for the restrictions built into this definition could be found in *Report of a Committee Appointed by the Board of Trade to Inquire into the Duties, Organisation and Arrangements of the Patent Office under the Patents, Designs and Trade Marks Act so far as Relates to Trade Marks and Designs* (81 PP C 5350, 1888)<sup>1</sup> which stated that:

Words are, undoubtedly, a most popular form of trade-mark, but some limit must obviously be put upon the words which an individual may be permitted to register and claim the exclusive use of ... It is manifest that no one ought to be granted the exclusive use of a word descriptive of the quality or character of any goods. Such words of description are the property of all mankind, and it would not be right to allow any individual to monopolise them and exclude others from their use. Again ... [o]ne manufacturer or merchant cannot properly be allowed to prevent all his competitors from attaching to their goods the name of the place of their manufacture and sale.

Further changes and additions were made in 1905, when a separate Trade Marks Act was again enacted, including, for the first time, an express definition of 'trade mark' and a new residual category of 'any distinctive mark'. The register was divided into two parts in 1919, and a new consolidated Act was passed in 1938, following the report of a Committee of the Board of Trade (Command 4568, HMSO London, 1934), known as the Goschen Committee.

**17.9** Paralleling to some extent these developments, the first Australian trade marks legislation occurred in the 1860s with legislation along the lines of the Merchandise Marks Act 1862 (UK) enacted in South Australia in 1863, Victoria, Tasmania and Queensland in 1864 and New South Wales in 1865. (The last two also provided a fledgling system for registration of trade marks in order to obtain protection under the Act.) Victoria followed some 10 years later with the Trade Marks Act 1876 (Vic), modelled on the United Kingdom Act of 1875 and Western Australia passed its own Designs and Trade Marks Act in 1884. It appears that these colonial laws were quite extensively used by local traders, but there was pressure for uniform Australia-wide legislation, and the power to legislate with respect to trade marks was included in s 51(xviii) of the Commonwealth Constitution. Pursuant to this power, the Commonwealth Parliament passed the Trade Marks Act 1905 (Cth), which effectively superseded the state Trade Marks Acts and (as further amended in 1912) largely emulated the United Kingdom Act of 1905.

**17.10** The 1905 Act was expanded in scope by a range of amendments over the succeeding years, most significantly in 1948 when new provisions about assignment and licensing were added and the definition of 'trade mark' was broadened to encompass 'a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the goods and some person having the right ... with or without any indication of the identity of that person'. More major reformulation had been anticipated. In 1938, a review committee had been appointed, chaired by Sir George Knowles, the Commonwealth Solicitor-General. This committee paid careful regard to the work of the Goschen Committee whose review had led to the Trade Marks Act 1938 (UK) as well as to the terms of that Act; and presented a report and draft bill to replace the Australian Act of 1905. However, the outbreak of war prevented these reforms being made, and it was not until some 15 years later that a further committee, chaired by Sir Arthur Dean, a Justice of the Supreme Court of Victoria, was appointed to review the work of the

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1. The above statement from the report is quoted in the speech of Lord Halsbury in *Eastman Photographic Materials Co v Comptroller-General of Patents, Designs and Trade Marks* [1898] AC 571 (the *Solio* case) at 574.

earlier Knowles Committee, particularly in the light of intervening changes that had occurred in the United Kingdom and other common law jurisdictions: see S Ricketson, 'The Future of Australian Intellectual Property Law Reform and Administration' (1992) 3 *Australian Intellectual Property Journal* 1 at 13–14. The Dean Committee presented a report as well as another draft bill: see *Report of the Committee Appointed by the Attorney-General of the Commonwealth to Consider What Alterations Are Desirable to the Trade Marks Law of the Commonwealth* (Government Printer, Canberra, 1954). The draft bill was enacted in substantially the same form as the Trade Marks Act 1955 (Cth). Among other things, this Act saw the division of the register into Pts A and B (something which had occurred in the United Kingdom Act in 1919), and the introduction of a further part allowing for defensive registration of trade marks whose use and thus reputation extended beyond the goods for which they were registered (also already a feature of the United Kingdom legislation). Significant amendments were made in 1978, providing for the inclusion of service marks, and in 1981, regarding the seizure of infringing goods by the Customs Service. But otherwise the Act remained largely extant for some 40 years.

**17.11** The constitutional validity of service marks was raised in passing in the High Court of Australia in *Davis v Commonwealth* (1988) 166 CLR 79 (in the context of a claim by certain Aboriginal people that s 51(xviii) did not support a power conferred on the Australian Bicentennial Authority to control the public trade use of the term '200 years' in conjunction with '1788', '1988' or '88', being a power purportedly conferred by the Australian Bicentennial Authority Act 1980 (Cth)). Mason CJ, Deane and Gaudron JJ commented as follows at 96:

The plaintiffs' submission ... rests partly on *Attorney-General (NSW) v Brewery Employees Union of NSW* ('the *Union Label Case*'), although Mr Basten for the plaintiffs conceded that there may have been an increase in the denotation of the power since that case was decided. By way of illustration, the concept of a trade mark now extends to a mark that distinguishes services as well as goods. If we bear this development in mind, it is possible to say, consistently with both the majority and minority judgments in the *Union Label Case*, that two essential characteristics of a trade mark are (a) that it has the capacity to distinguish particular goods and services; and (b) that the proprietor of the mark has some connection with the goods and services.

Is the second a significant qualification?

### Later developments

**17.12** More recently, British and Australian trade mark law has been influenced by, in the British case, moves within the European Community (EC) to establish a uniform community-wide trade mark law and, in the Australian case, international standards set under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). As to the first, following the EC Council Directive of 21 December 1988 to Approximate the Laws of the Member States relating to Trade Marks (89/104/EEC) and a report by the Department of Trade and Industry: *Reform of the Trade Mark Law* (Command 1203, HMSO, London, 1990), the Trade Marks Act 1994 (UK) was enacted. A separate system for registration of community trade marks was established by Council Regulation (EC) No 40/94 of 20 December 1993. Both the national and community systems are subject to authoritative rulings by the European Court of Justice (ECJ) (in the first case after a reference from a national court), furthering the process of bringing United Kingdom law under the EC umbrella. As to Australia, the advent of the TRIPS Agreement saw a review instituted in 1989 to streamline the workings of the trade mark system transformed into a full-scale review of the trade mark system: see *Recommended Changes to the Australian Trade Marks Legislation* (AGPS, Canberra, 1992). The Trade Marks Act 1994 (Cth) was subsequently enacted but did not come into

force. Rather, in 1995, in response to consultation, a substantially redrafted (and in some respects substantively different) Trade Marks Act 1995 (Cth) was substituted.

The Trade Marks Act 1995 (Cth) came into force on 1 January 1996. Nor is this the end of the line as far as legislative amendments are concerned. In particular, significant amendments were made by the Intellectual Property Law Amendment Act 2006 (Cth) and the Trade Marks Amendment Act 2006 (Cth).

While this Act, as amended, has made some important changes — at certain points, as the High Court noted in *Campomar Sociedad Ltd v Nike International Ltd* (2000) 46 IPR 481 at 492–5, drawing a different balance between the interests of traders, consumers and the public — there are still many respects in which the old law continues to influence our modern conception of ‘trade marks’ and their functions for statutory purposes.

## Major changes under the 1995 Act

**17.13** While many of the concepts and technical terms used in relation to previous trade mark legislation remain equally valid under the Trade Marks Act 1995, there have also been a number of major changes. Consequently, the case extracts and commentary that appear in this and later chapters draw upon materials relating to previous legislation, but some cases decided under the 1995 Act also focus on new issues raised by that legislation.

A brief overview of some of the major changes introduced by the 1995 Act may be a useful guide to some of the issues addressed later:

- *The definition of a sign and a trade mark:* One of the controversial issues is the extent to which the trade mark and the goods to which it is applied can be, essentially, one and the same. Examples include the famous Coca-Cola bottle; the shape of the Phillips triple-headed razor; and the Millennium bug, a lolly discussed in *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* (2001) 52 IPR 137 (see **18.7C**). Prior to the 1995 Act, a trade mark had to be clearly separate from the goods in relation to which it was used and so protection was denied for the three-dimensional shape of the Coca Cola bottle, and even for a colour scheme which covered the entirety of a pharmaceutical capsule (*Smith Kline*: see **17.14**). While the distinction remains, in theory, it appears to have been re-formulated in decisions such as *Kenman Kandy*.
- *Distinctiveness and how it can be established:* The 1995 Act permits an applicant to demonstrate that its trade mark distinguishes goods or services from other goods or services because its distinctiveness has been acquired by extensive use. Under previous legislation, the trade mark had to be inherently distinctive. The new arrangements mean, for example, that single colours may be registered, as may descriptive words that have acquired distinctiveness through use as a trade mark. We saw in **Chapter 16** that descriptive words, ordinary shapes and single colours may receive protection under passing off. Now that protection can take the form of registration of a trade mark, although the courts in cases such as *Woolworths v BP* (see **18.20C**) have indicated some of the difficulties confronting applicants seeking such extensive protection.
- *The scope of infringement provisions has expanded significantly:* As with previous legislation, a plaintiff may object if a defendant uses a substantially identical or deceptively similar sign in relation to the goods or services for which the plaintiff has acquired registration of its trade mark. However, the plaintiff can now also object where the defendant’s use relates to goods of the same description or services closely related to the plaintiff’s goods (or vice-versa). In addition, where the trade mark is well known, infringement may occur even if the defendant’s use is for goods or services that are unrelated to the goods or services to which the plaintiff has registration. The scope of this latter form of infringement and its relationship to European and American laws prohibiting ‘dilution’ of well-known trade marks is indeterminate at this stage.

## TRADE MARKS UNDER THE 1995 ACT

**17.14** A 'trade mark' is defined in s 17 of the Trade Marks Act 1995 as:

... a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

A 'sign', in turn, is defined in s 6 of the Act to include the following or any combination of the following:

... any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent.

Effectively, this definition of a sign means that it is possible for almost anything that a person can perceive with their senses to be a trade mark. Whether any sign is actually a trade mark requires the meeting of other conditions.

In the Trade Marks Act 1955 a 'trade mark' was defined as 'a mark used or proposed to be used in relation to goods or services for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods or services and a person who has the right ... to use the mark ...' (s 6). 'Mark', in turn, was defined in the 1955 Act (s 6) as including 'a device, brand, heading, label, ticket, name, signature, word, letter or numeral, or any combination thereof'. Related definitions could be found in the 1905 Act and equivalent United Kingdom Acts, and these had been interpreted in a long line of cases to require something 'extra, which is added to the goods for the purposes of denoting the origin of the goods': see *Charles Goodall & Son Ltd v John Waddington Ltd* (1924) 41 RPC 658 at 668 per Sargant LJ; *Smith Kline and French Laboratories (Australia) Ltd v Registrar of Trade Marks* (1967) 116 CLR 628 at 639–40 per Windeyer J (and see also *Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1976] RPC 511 at 537–8 per Lord Diplock, although reaching a different conclusion from Windeyer J in the Australian High Court on the question whether a colour combination used for medicine capsules could qualify as a 'trade mark'); *Coca-Cola Trade Marks* [1986] RPC 421 at 457–8 per Lord Templeman, Lords Keith, Brandon, Griffiths and Oliver concurring — holding that the shape of the Coca-Cola contour bottle could not be registered as a 'trade mark' under the United Kingdom Act of 1938. On their face the provisions in the 1995 Act are somewhat differently framed from those that existed before. Nevertheless, it soon began to be asked whether a 'trade mark' under the new Act is substantively different from a 'trade mark' as previously defined and interpreted by the courts in their jurisprudence under earlier Acts.

In the first cases under the 1995 Act it was easily concluded, without much by way of discussion, that the meaning of 'trade mark' has not changed in substance with the new Act: see, for instance, *Top Heavy Pty Ltd v Killin* (1996) 34 IPR 282 at 286 per Lehane J — the 'same "badge of origin" notion is plainly to be seen in the definition of "trade mark" in s 17'. In the following more recent cases, both of which concerned new kinds of 'signs' as defined in s 6 (specifically shapes), the issue of the meaning of a 'trade mark' under the 1995 Act arose in a starker form.

**17.15C Coca-Cola Co v All-Fect Distributors Ltd (t/as Millers Distributing Co)**

(1999) 47 IPR 481

Federal Court of Australia (Full Court)

[The Coca-Cola Company had registered a drawing of the Coca-Cola contour bottle many years ago. The trade mark is depicted in **Figure 17.1**. After the Trade Marks Act 1995 came into force, Coca-Cola was also one of the first companies to register a shape trade mark under the new Act. The shape trade mark is depicted in **Figure 17.2**.]



Figure 17.1

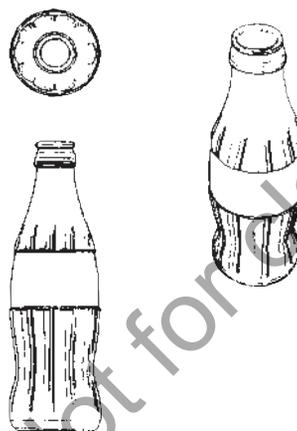


Figure 17.2

However, the infringement claim in this action predated the second registration. It was argued that All-Fect infringed Coca-Cola's drawing trade mark when it introduced into the Australian market a line of confectionery shaped roughly in the shape of a Coca-Cola contour bottle (see **Figure 19.1**). Two issues the court had to consider were whether All-Fect had used the shape of its sweets 'as a trade mark' and whether its sweets were deceptively similar to Coca-Cola's trade mark. (These issues are addressed in more detail at **19.5C**.) Further, although not directly in issue, the court also considered whether the contour bottle shape could function as a 'trade mark' for Coca-Cola and it is that issue that is primarily addressed in the extract below.]

**Black CJ, Sundberg and Finkelstein JJ at 489–92:**

***Goods themselves as a trade mark***

Before we examine whether the respondent has used the confectionery as a trade mark, we should consider whether goods themselves can be a trade mark, because it was submitted for the respondent that they could not be, and that this was relevant to the 'use as a trade mark' issue. We were taken to three cases dealing with whether the goods themselves, as opposed to something applied to them, can be a trade mark. The first is *Smith Kline & French Laboratories (Aust) Ltd v Registrar of Trade Marks* (1967) 116 CLR 628, which arose under the 1955 Act. The mark sought to be registered in that case was a pharmaceutical capsule one half of which was coloured and the other half of which was colourless, containing pellets of two or more colours. The registrar's refusal to register the mark was upheld by Windeyer J on the ground that a trade mark must be capable of being described and depicted as something apart from the goods to which it is to be applied or in relation to which it is to be used. A mere description of goods by shape, size or

colour cannot be a trade mark in respect of those goods. The applicant's claim was for a monopoly for 'any products it may put on the market, consisting of pellets in capsules, having the kind of colour scheme it has used for its sustained release drugs in capsules': at 639. Windeyer J relied upon the observation of Lindley LJ in *In re James's Trade Mark* (1886) 33 Ch D 392 at 395 that 'a mark must be something distinct from the thing marked. A thing cannot be a mark of itself'.

The next case is *Smith Kline and French Laboratories Ltd v Stirling Winthrop Group Ltd* [1975] 1 WLR 914. The appellant applied to register trade marks in respect of pharmaceutical substances sold in pellet form within capsules, a typical example being 'a maroon colour applied to one half of the capsule, the other half being colourless and transparent, and yellow, blue and white colours being each applied to a substantial number of pellets so that each pellet is one colour only'. The House of Lords held the marks were registrable. Lord Diplock, with whom the other Law Lords agreed, after referring to the definitions of 'trade mark' and 'mark' in the Trade Marks Act 1938 (which are substantially the same as the definitions in the 1955 Act), said (at 918):

I see nothing in this context that requires one to exclude from the definition of 'trade mark' a mark which covers the whole of the visible surface of the goods to which it is applied. Such a mark is as capable of indicating a connection in the course of trade between the goods and the proprietor of the mark as it would have been if it had only covered half or three quarters of the visible surface.

His Lordship declined to follow Windeyer J in the earlier case.

In *Re Coca-Cola Trade Marks* (1986) 6 IPR 275; [1986] RPC 421 Coca-Cola attempted to register as a trade mark the distinctive shape and appearance of the contour bottle. The mark was not a drawing of the bottle as in the present case, but the shape of the bottle itself. The House of Lords upheld the registrar's refusal to register the mark. Lord Templeman, with whom the other Law Lords agreed, said at IPR 276–7; RPC 457:

The Coca-Cola Co must succeed in the startling proposition that a bottle is a trade mark. If so, then any other container or any article of a distinctive shape is capable of being a trade mark. ... In my opinion the Act of 1938 was not intended to confer on the manufacturer of a container or on the manufacturer of an article a statutory monopoly on the ground that the manufacturer has in the eyes of the public established a connection between the shape of the container or article and the manufacturer.

His Lordship then set out the definitions of 'trade mark' and 'mark' in the 1938 Act, and continued:

The word 'mark' both in its normal meaning and in its statutory definition is apt only to describe something which distinguishes goods rather than the goods themselves. A bottle is a container not a mark. The distinction between a mark and the thing which is marked is supported by ... *Re James's Trade Mark*.

Lord Templeman then set out a passage from Lindley LJ's judgment in *James* which includes the sentences relied on by Windeyer J in the first *Smith Kline and French* case. He then distinguished the second *Smith Kline and French* case on the ground that it only related to the colour of goods and had no application to the goods themselves or to a container for goods. His Lordship did not mention Windeyer J's decision, though it was referred to in argument.

In the 1955 Act 'trade mark' was defined as 'a mark used or proposed to be used in relation to goods'. The word 'mark' included 'a device, brand, heading, label, ticket, name, signature, word, letter or numeral, or any combination thereof'. The definitions in the 1938 United Kingdom Act are to the same effect. In the 1995 Act the distinction between a mark and the goods in relation to which it is used is less clear. The definition of 'trade mark' in s 17 does not contain the contrast between a 'mark' and 'goods' in relation to which the mark is to be used that was

in the definition in the 1955 Act. Instead, a trade mark is a sign used to distinguish goods dealt with by one person from goods dealt with by another. Further, 'sign' is defined in a manner which adds to the items in the former definition of 'mark' the word 'shape', amongst others. Thus a trade mark can be a shape used to distinguish the goods of one person from those of another. On the other hand there are several provisions, including s 120, which continue the distinction between 'mark' and the goods in relation to which it is used. We need not decide whether, under the current Act, the bottle that was refused registration in the *Coca-Cola* case could be registered as a trade mark, that is to say, as a shape which is used to distinguish the appellant's beverage from those of others. It is sufficient for the resolution of the present case that we adopt the view that a mark can be a trade mark even if, as in the present case, it covers the whole of one of the visible sides of the goods.

[Note also the court's pronouncements on the character of the defendant's use as a 'trade mark', use for the purposes of assessing infringement (dealt with in more detail in [Chapter 18](#), especially at [19.5C](#)). What do these suggest for the meaning of 'trade mark'?]

**Black CJ, Sundberg and Finkelstein JJ at 492:** The confectionary has three features that are not descriptive of the goods. They are the silhouette, the fluting of the top and bottom, and the label band. It is not necessary for the respondent to adopt any of those features in order to inform consumers that its product is a cola flavoured sweet. It could do so by using the cola colour, the word 'Cola' and the shape of an ordinary straight-walled bottle. The silhouette, fluting and band are striking features of the confectionary, and are apt to distinguish it from the goods of other traders. The primary function performed by these features is to distinguish the goods from others. That is to use those features as a mark. It is true, as the respondent said, that the fact that a feature is not descriptive of goods does not necessarily establish that it is used to distinguish or differentiate them. But in the present case we are compelled to the conclusion that the non-descriptive features have been put there to make the goods more arresting of appearance and more attractive, and thus to distinguish them from the goods of other traders.

### 17.16C Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd

(2000) 48 IPR 257

Federal Court of Australia (Full Court)

[Philips had obtained trade mark registration under the 1955 Act for a drawing of its three-headed shaver with the heads arranged in an equilateral triangle arrangement. After the 1995 Act came into force, Philips also applied for registration of the shape itself (the application was pending at the time of the proceedings). The registered and pending trade marks are shown in [Figures 17.3 and 17.4](#).



Figure 17.3

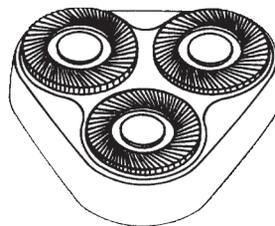


Figure 17.4

The infringement claim was based on the registered trade mark, which it was argued was infringed when Remington adopted a similar shape and arrangement of heads to the Philips shavers for its own shavers: it is dealt with further at 19.9. By way of counter-claim, Remington argued that Philips should not be permitted to register the shape and general appearance of its shaver as a trade mark under the Trade Marks Act 1995, because the features were a direct result of the way the shaver worked (its 'function'). **Lehane J** at first instance held that the issue of registration should be left to the registrar to decide, at least in first instance: see (1999) 44 IPR 551 at 571–2. On appeal, **Burchett J** in the Full Federal Court noted that '[h]ere the question is not whether a mark should be registered but whether Remington has infringed Philips' marks ...': 48 IPR at 269. Nevertheless, the judge's comments on the meaning of a 'trade mark' under the 1995 Act might equally have been directed to the Philips' proposed registration as a trade mark of the shape and general appearance of its shavers. In parallel proceedings launched in the United Kingdom courts, it was questioned whether the design features could function as a 'trade mark' (the judgments of **Jacob J** and the Court of Appeal, which ultimately referred the matter to the ECJ, noted by **Burchett J** in the extract below). Indeed, following the Full Federal Court's decision, Philips' pending Australian application was lapsed.]

**Burchett J at 265–8:** In my opinion, merely to produce and deal in goods having the shape, being a functional shape, of something depicted by a trade mark (here the marks do depict, one more completely than the other, a working part of a triple rotary shaver) is not to engage in a 'use' of the mark 'upon, or in physical or other relation to, the goods' within s 7(4), or to 'use' it 'in relation to the goods' within s 20(1) [of the Trade Marks Act 1995]. 'Use' and 'use', in those contexts, convey the idea of employing the mark (first) as something that can be 'upon' or serve in a 'relation' to the goods (and second) so as to fulfil a purpose, being the purpose of conveying information about their commercial origin. The mark is added, as something distinct from the goods. It may be closely bound up with the goods, as when it is written upon them, or stamped into them, or moulded onto them (see *The Coca-Cola Co v All-Fect Distributors Limited (t/as Millers Distributing Co)* (1999) 47 IPR 481; (2000) AIPC 91-534), or, in the case of a liquid, it may be sold in a container so formed as to constitute at once both container and mark. But in none of these cases is the mark devoid of a separate identity from that of the goods. The alternative ways of using a trade mark in relation to goods do not include simply using the goods themselves as the trade mark. The reason is plain: it is to be assumed that goods in the market are useful, and if they are useful, other traders may legitimately wish to produce similar goods (unless, of course, there are, for the time being, subsisting patent, design or other rights to prevent them from doing so), and it follows that a mark consisting of nothing more than the goods themselves could not distinguish their commercial origin, which is the function of a mark: *Johnson & Johnson* [(1991) 30 FCR 326] at 342, 348–349. As **Jacob J** said of a 'picture mark' in *Philips Electronics NV v Remington Consumer Products* [(1997) 40 IPR 279] at 292:

A picture of an article is equivalent to a description of it — both convey information. If the picture is simply of an artefact which traders might legitimately wish to manufacture then to my mind it is just like the common word for it and, like the word for it, incapable of distinguishing.

Even if such a mark achieves registration, that does not make the manufacture and sale of similar artefacts into a use of the mark as a trade mark; cf the remarks, quoted above, of **Sargant LJ** in *Edward Young & Co Ltd v Grierson Oldham & Co* [(1924) 41 RPC 548] at 579 about the effect of the registration of the word 'port' in sloping capitals, remarks which seem to me to apply a fortiori.

The nearest the appellants came, in argument, to finding an instance of a use of the goods as the trade mark, which could be supported by existing authority, was not the *Coca-Cola Company*

(for there the mark was something added by being impressed on goods that already had their identity as sweets of a particular flavour and texture, which remained unchanged); rather, it was in the example suggested by Branson J of a bottle of perfume. But in the case of a perfume or a drink, it is just because the bottle is only a container for the product the purchaser is going to apply or consume, that features of its shape are sufficiently variable to be capable of being made distinctive (see *Philips Electronics NV v Remington Consumer Products* at 290), and may therefore be used as a mark, though not if the capacity for distinctiveness is not exploited: *Re Procter & Gamble Ltd's Trade Mark Applications* [1999] RPC 673 at 680–1, per Robert Walker LJ (with whom Peter Gibson and Tuckey LJ agreed). The point may be illustrated by imagining a case where the bottle became the essence of the commodity sold, being an expensive imitation gourd or reproduction of a particularly beautiful Grecian urn. In such a case, other traders might legitimately wish to produce like imitations or reproductions, and the use of the shape could not in itself distinguish the products of one person: cf the passage from the judgment of Kitto J in *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514 which Branson J cited in *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50 at 55; 40 IPR 498. Whether the question of fact under s 41(6)(a) of the Trade Marks Act 1995, which is discussed in the last mentioned decision, could ever properly be answered in favour of the manufacturer of a gourd or urn of the kind I have postulated, if he sought to register its shape as a trade mark, does not need to be determined in this case. But when it does come up for determination, consideration will need to be given to the meaning of the expression 'it does distinguish' in s 41(6)(a). The word 'distinguish', as a glance at the *Shorter Oxford English Dictionary* will confirm, implies something other from which a differentiation is, or is to be, made. Where, therefore, a sole manufacturer uses a particular name or shape for a product no one else produces, how do we say whether it does in fact distinguish? Is it relevant that, if anyone else were to produce the same product, the name or shape could not differentiate between the two? Does that mean it never did *distinguish*, though it may have named or embodied a kind of product of which there was but one example? Despite the differences between the 1995 Act and the English legislation, it may be that some light will be found to be cast on the matter by the reasoning of Aldous LJ in *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 at 817–20; and of Jacob J at first instance in *Philips Electronics NV v Remington Consumer Products* at 292–3.

Certainly, before the enactment of the 1995 Act, Australian courts accepted the law expounded by Windeyer J in *Smith Kline and French Laboratories (Aust) Limited v Registrar of Trade Marks* (1967) 116 CLR 628 at 639–640:

A trade mark is defined in the Act as 'a mark used or proposed to be used in relation to goods' for the purposes stated. This definition assumes, it seems to me, that the mark is something distinct from the goods in relation to which it is used or to be used. It assumes that the goods can be conceived as something apart from the mark and that the mark is not of the essence of the goods. The goods are assumed to have an existence independently of the mark. As Sargant LJ put it, in stating the difference between a design and a trade mark, 'A trade mark is something which is extra, which is added to the goods for the purpose of denoting the origin of the goods': *Charles Goodall & Son Ltd v John Waddington Ltd* (1924) 41 RPC 658 at 668. And Lord Lindley, then Lindley LJ, said in *In re James's Trade-Mark* (1886) 33 Ch D 392 at 395, 'We must be careful to avoid confusion of ideas. A mark must be something distinct from the thing marked. A thing cannot be a mark of itself ...'. This does not mean that today a trade mark must be a mark to be physically applied to the goods. It may now be a mark to be used in other ways in relation to goods. A thing can always be described and distinguished in appearance by any visible characteristic which it has, its shape, colour or any mark which it bears. But the test is not — Can the goods be described

or depicted without reference to their markings? As I see it, a mark for the purposes of the Act must be capable of being described and depicted as something apart from the goods to which it is to be applied, or in relation to which it is to be used. This view is supported by the provisions of s 107 of the Act. It accords too with the various things included in the definition of 'mark'. That list is not expressed as exhaustive but it is certainly illustrative. I do not think that a mere description of goods simply by shape, size or colour can be a trade mark in respect of those goods.

The same view was expressed by Lord Templeman, speaking for a unanimous House of Lords (Lords Keith of Kinkel, Brandon of Oakbrook, Templeman, Griffiths and Oliver of Aylmerton), in *Re the Coca-Cola Co* (1986) 6 IPR 275, a decision under the Trade Marks Act 1938 (UK). His Lordship said (at 277):

In my opinion the Act of 1938 was not intended to confer on the manufacturer of a container or on the manufacturer of an article a statutory monopoly on the ground that the manufacturer has in the eyes of the public established a connection between the shape of the container or article and the manufacturer. A rival manufacturer must be free to sell any container or article of similar shape provided the container or article is labelled or packaged in a manner which avoids confusion as to the origin of the goods in the container or the origin of the article. ...

The word 'mark' both in its normal meaning and in its statutory definition is apt only to describe something which distinguishes goods rather than the goods themselves.

The earlier decision of the House of Lords in *Smith, Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1976] RPC 511 was distinguished by Lord Templeman (at 278) as a case which 'only related to the colour of goods and has no application to the goods themselves or to a container for goods'.

The trial judge discussed (at 558–560) the question whether the 1995 Act has changed all that. It is unnecessary to repeat the various conflicting indications of legislative intention detailed in that discussion. I think it is important to note, as his Honour does at 560, that the legislative background leaves a clear impression the inclusion of the word 'shape' in the definition of 'sign' was not understood to involve the effecting of a radical change in trade mark law. It seems to me that this is the reason there is so little assistance to be gained from ministerial statements or explanations. The amendment was simply not seen as important. Nor was the deletion of the provision made by s 39 of the repealed Trade Marks Act 1994. No change being contemplated to the nature of trade mark use, it followed that neither a shape 'possessed, because of their nature, by the goods' nor a shape 'that the goods must have if a particular technical result is to be obtained' (the categories of shape identified in s 39) could distinguish the goods of one trade source from the similar goods of another; and therefore such a shape could not function as a trade mark. Indeed, it is hard to imagine how such a shape of the goods themselves could be used, or be intended to be used, for the purpose set out in s 17 — its use would inevitably be nothing other than part of the use of the commodity itself. Section 39 was omitted from the Trade Marks Act 1995 because it was unnecessary.

It does not follow that a shape can never be registered as a trade mark if it is the shape of the whole or a part of the relevant goods, so long as the goods remain distinct from the mark. Some special shape of a container for a liquid may, subject to the matters already discussed, be used as a trade mark, just as the shape of a medallion attached to goods might be so used. A shape may be applied, as has been said, in relation to goods, perhaps by moulding or impressing, so that it becomes a feature of their shape, though it may be irrelevant to their function. Just as a special word may be coined, a special shape may be created as a badge of origin. But that is not to say that the 1995 Act has invalidated what Windeyer J said in *Smith Kline*. The special cases where a shape of the goods may be a mark are cases falling within, not without, the principle he

expounded. For they are cases where the shape that is a mark is 'extra', added to the inherent form of the *particular* goods as something distinct which can denote origin. The goods can still be seen as having, in Windeyer J's words, 'an existence independently of the mark' which is imposed upon them.

The conclusion of this discussion is not that the addition of the word 'shape' to the statutory definition calls for some new principle, or that a 'shape' mark is somehow different in nature from other marks, but that a mark remains something 'extra' added to distinguish the products of one trader from those of another, a function which plainly cannot be performed by a mark consisting of either a word or a shape other traders may legitimately wish to use. That proposition has commonly been stated in connection with marks that seek to appropriate the actual name of the product or an apt description of it: but the principle equally applies in the case of a shape or picture representing the very form and appearance in which another trader might legitimately wish to make the product.

[Hill and Branson JJ concurred with Burchett J.]

## 17.17 Notes and questions

1. Can the Full Federal Court judgments in *All-Fect* and *Philips* be reconciled on the issue of recognition of shape as a 'trade mark' for statutory purposes? (And what implications are there in the reasoning for other new kinds of sign in the 1995 Act; namely, colour, sound and scent?) Do you find the reasoning in these cases convincing and helpful? Consider also the language of the ECJ in *Philips Electronics NV v Remington Consumer Products Ltd* [2002] All ER (EC) 634 that 'there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing goods or services': at 39. And in *Mag Instruments Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Case C-136/02 P, judgment 7 October 2004 (the *Mag-Lite* case), a case decided under the terms of the Council Regulation on the Community trade mark, the European Court of Justice (Second Chamber), although noting that 'the relevant public's perception is not necessarily the same in the case of a three-dimensional mark consisting of the shape of the product itself as it is in the case of a word or figurative mark consisting of a sign which is independent from the appearance of the products it denotes' and speculating that '[a]verage consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element', concluded as follows at 30–2:

The criteria for assessing the distinctive character of three-dimensional trade marks consisting of the shape of the product itself are no different from those applicable to other categories of trade mark ... [T]he more closely the shape for which registration is sought resembles the shape most likely to be taken by the product in question, the greater the likelihood of the shape being devoid of any distinctive character ... It must always be determined whether such a mark permits the average consumer [of the product for which registration is sought], who is reasonably well informed and reasonably observant and circumspect, to distinguish the product concerned from those of other undertakings without conducting an analytical examination and without paying particular attention.

By contrast, the approach of the United States Supreme Court appears to be that the shape (or colour) of goods should not — at least without a period of consumer education through actual use — be accepted as a 'trade mark': see *Wal-Mart Stores Inc v Samara Brothers Inc* 529 US 205 (2000).

2. Do you think it made a difference to the result in *Philips* that Philips had also registered a design for its shape and in the same proceedings claimed that the registered design had been

infringed? Should registration of both a trade mark and a design, or for that matter a patent, with respect to the same product be permitted? Note that s 25 of the Trade Marks Act 1995 ('trade marks relating to article etc formerly manufactured under patent') makes some — albeit limited — provision for the second, but not the first. Alternatively, if functional shapes are to be denied registration, would it have been preferable to have retained a version of s 39 of the superseded Trade Marks Act 1994 (Cth) (referred to by Burchett J in *Philips*), requiring an application for registration of a trade mark to be rejected if 'the trade mark consists wholly or principally of (a) the shape, or some other characteristic, possessed, because of their nature, by the goods; or (b) a shape or other characteristic, that the goods must have if a particular technical result is to be achieved', in the 1995 Act? For an argument for such a legislative statement being introduced into the 1995 Act (unless a clearer 'judicial statement' is given), see M Davison 'Shape Trade Marks' (2004) 15 *Australian Intellectual Property Journal* at 111. For s 3(2) of the Trade Marks Act 1994 (UK), which in the end became the basis for revoking registration of the Philips shape trade mark registration, see generally *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2004] All ER (D) 301.

3. Assuming a 'trade mark' must function as a 'badge of origin', what exactly does this entail? In early trade marks cases the courts construed it to require that the trade mark denote the actual source of goods (with the result that possibilities of assignment and licensing were severely curtailed): see, for instance, *Pinto v Badman* (1891) 8 RPC 181 at 191–2 per Lord Esher MR, at 194–5 per Fry LJ; and *Re Powell's Trade Mark* [1893] 2 Ch 388 at 403–4 per Bowen LJ. This view continued after the United Kingdom legislation in 1905 specified that a 'trade mark' might indicate that goods were 'the goods of the proprietor of such trade mark by virtue of manufacture, selection, certification, dealing with or offering for sale': see *Bowden Wire Ltd v Bowden Brake Co Ltd* (1914) 31 RPC 385, where an attempt to license a trade mark without associated goodwill to a selected licensee rendered it invalid according to the House of Lords. Lord Dunedin characterised this as 'an attempt to assign a Trade Mark in gross, a thing that cannot be done' (at 392). Further, in *Aristoc Ltd v Rysta Ltd* (1945) 62 RPC 65 (HL), it was held that the word 'dealing' did not encompass dealings after the goods had reached the public (as, for instance, in that case the repair of goods) — for in order for a trade mark to indicate the origin of goods it should 'indicate a character or quality which will ordinarily remain so long as the goods remain recognisable': per Viscount Maugham at 75–6. (How might this test be reframed to encompass service trade marks, which came later into the legislation, and would this cover the repair mark in question?) But when, following the introduction of new provisions about licensing and assignment in the Trade Marks Amendment Act 1948 (Cth), the Australian High Court had the opportunity to reconsider the modern meaning of a 'trade mark' as a badge of origin in *Pioneer Kabushiki Kaisha v Registrar of Trade Marks* (1977) 137 CLR 670, Aickin J said at 683:

[T]he essential requirement for the maintenance of the validity of a trade mark is that it must indicate a connection in the course of trade with the registered proprietor, even though the connection may be slight, as selection or quality control or control of the user in the sense in which a parent company controls a subsidiary.

Under United States trade mark law it has long been accepted that a trade mark may indicate both a primary source and a secondary source, 'in the sense of indicating sponsorship or authorization by a recognized entity': J Thomas McCarthy, *Trade Marks and Unfair Competition*, West Publishing, St Pauls, 1996–, vol 1, §3:4. For the same idea recently endorsed by the House of Lords, see *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 at 137–8 esp. per Lord Nicholls. And there appears little doubt as to the position now in the Australian courts. In *Montana Tyres Rims & Tubes Pty Ltd v Transport Tyre Sales Pty Ltd* (1998) 41 IPR 301 (an assignment case), Wilcox J said at 316 that, while the essential purpose of a trade mark continues to be one of indicating origin, the question is whether the manufacturer or some other trader 'is responsible for the design, manufacture and control of the goods'; and on appeal it was accepted that the trade mark might indicate a relevant

connection with the registered owner and a distributor, each responsible to some extent for the quality of the goods: *Transport Tyre Sales Pty Ltd v Montana Tyres Rims & Tubes Pty Ltd* (2001) 43 IPR 481. For more on licensing and assignment, see 19.25 and 19.36.

4. In the light of the above discussion, do you think Australian courts might, or should, ultimately acknowledge that trade marks may have nothing to do with indicating origin, even in an attenuated sense; that is, that distinguishing goods or services in the market is purely and simply the essence of a 'trade mark' under the Trade Marks Act 1995, as indeed s 17 states? Did the Full Federal Court come close to concluding this in *All-Fect*, especially in the statements at the end of the extract that 'a trade mark can be a shape used to distinguish the goods of one person from those of another', especially if it is 'put there to make the goods more arresting of appearance ...'? Note also the High Court's statement in *Campomar Sociedad Ltd v Nike International Ltd* (2000) 46 IPR 481 at 493 that 'the interests of the owners of registered trade marks may go beyond that of indicating trade origin'. On the other hand, in *E & J Gallo Winery v Lion Nathan Australia Pty Limited* [2010] HCA 15, the High Court stated:

41 The concept of 'use' of a trade mark which informs ss 92(4)(b), 100(1)(c) and 100(3)(a) of the Trade Marks Act must be understood in the context of s 17, which describes a trade mark as a sign used, or intended to be used, to 'distinguish' the goods of one person from the goods of others.

42 Whilst that definition contains no express reference to the requirement, to be found in s 6(1) of the *Trade Marks Act* 1955 (Cth), that a trade mark indicate 'a connexion in the course of trade' between the goods and the owner, the requirement that a trade mark 'distinguish' goods encompasses the orthodox understanding that one function of a trade mark is to indicate the origin of 'goods to which the mark is applied'. Distinguishing goods of a registered owner from the goods of others and indicating a connection in the course of trade between the goods and the registered owner are essential characteristics of a trade mark. There is nothing in the relevant Explanatory Memorandum to suggest that s 17 was to effect any change in the orthodox understanding of the function or essential characteristics of a trade mark.

We shall return to the issue of trade mark infringement and the meaning of 'use as a trade mark' in that context in Chapter 19.

## THE MODERN REGISTRATION SYSTEM

**17.18** Before moving on to consider the standards governing registration and rights obtained by registration (Chapters 18 and 19) it is useful to pause here to consider briefly the basic features of our modern registered trade mark system. Further details can be found in the extended, and practically focused, commentary of J Dwyer and A Dufty, *Patents, Trade Marks and Related Rights*, looseleaf, LexisNexis, Australia, 1996–, as well as the IP Australia website at <<http://www.ipaustralia.gov.au/trademarks/>> (which also gives access to the Australian trade marks register as well as the Trade Marks Office *Manual of Practice and Procedure*, a very useful document).

The register itself can be searched online, free of charge, via the IP Australian website.

## Trade marks on the register

**17.19** It should be obvious by now that trade marks are registered with respect to particular goods and/or services. Most trade marks are standard trade marks (and these are the main focus of this chapter and the chapters that follow). But the Act provides also for registration of other kinds of trade marks, whose functions may be a little different from the ‘trade marks’ we have so far been discussing (and in some cases it may indeed be questioned whether they really fit the idea of a ‘trade mark’ as an indicator of origin). In brief the categories are as follows:

- *Standard trade marks* are the ‘signs’ used by a particular trader (or traders) to indicate the origin of specified goods and/or services dealt with or provided in the course of trade and so distinguish those goods and/or services from those of other traders (see generally the discussion in earlier parts of this chapter). They are dealt with in Pts 2–14 of the Act.
- *Collective trade marks* were new to the 1995 Act (but clearly authorised by the external affairs power in the Australian Constitution since art 7bis of the Paris Convention specifically requires member states to protect collective marks), with the function of distinguishing goods and/or services dealt with or provided in the course of trade by members of an association (whether incorporated or not) from those dealt with or provided by persons who are not members of the association (see s 162). Specific provisions about these are found in Pt 15 of the Act.
- *Certification trade marks* have the function of indicating that goods or services have been certified as having some characteristic, such as quality, accuracy, origin, material, or mode of manufacture, by a person competent to do so (see s 169). These are provided for in Pt 16 of the Act. Examples to date include the ‘Woolmark’ of the Australian Wool Corporation, the mark of the Standards Association of Australia, the National Heart Foundation tick, as well as the (now defunct) National Indigenous Arts Advocacy Association’s label of authenticity. As to the last, see L Wiseman, ‘The Protection of Indigenous Art and Culture in Australia: The Labels of Authenticity’ [2001] *European Intellectual Property Review* 14; and M Wardrope, ‘Copyright and Intellectual Property Protection for Indigenous Heritage’ (2002) *Aboriginal Art Online*: <<http://www.aboriginalartonline.com/forum/debate.html>>.
- *Defensive trade marks* allow trade marks that have been registered as standard trade marks with respect to particular goods and/or services to have an extended ‘defensive’ registration with respect to other (nominated) goods and/or services if their use by another trader in respect of those goods and/or services would be ‘likely to be taken to indicate that there is a connection between those other goods or services and the registered owner of the trade mark’ (see s 185(1)). For example, Viagra has been defensively registered, among other things, for ‘fragrances’ because the maker of Viagra does not want others to use the trade mark for fragrances but also does not wish to make a Viagra fragrance itself. Defensive trade marks are provided for in Pt 17 of the Act, without the normal requirements as to use applying. Potentially, this is a significant category of registration, giving extra protection to well-known trade marks. The High Court in *Campomar Sociedad Ltd v Nike International Ltd* (2000) 46 IPR 481 referred to ‘defensive registrations’, among other things, as entailing ‘recognitions that the interests of the owners of registered trade marks may go beyond that of indicating trade origin’: per Gleeson CJ et al at 492–3. As at November 2011, there were over 900 such registrations with many of these registrations occurring in recent years.

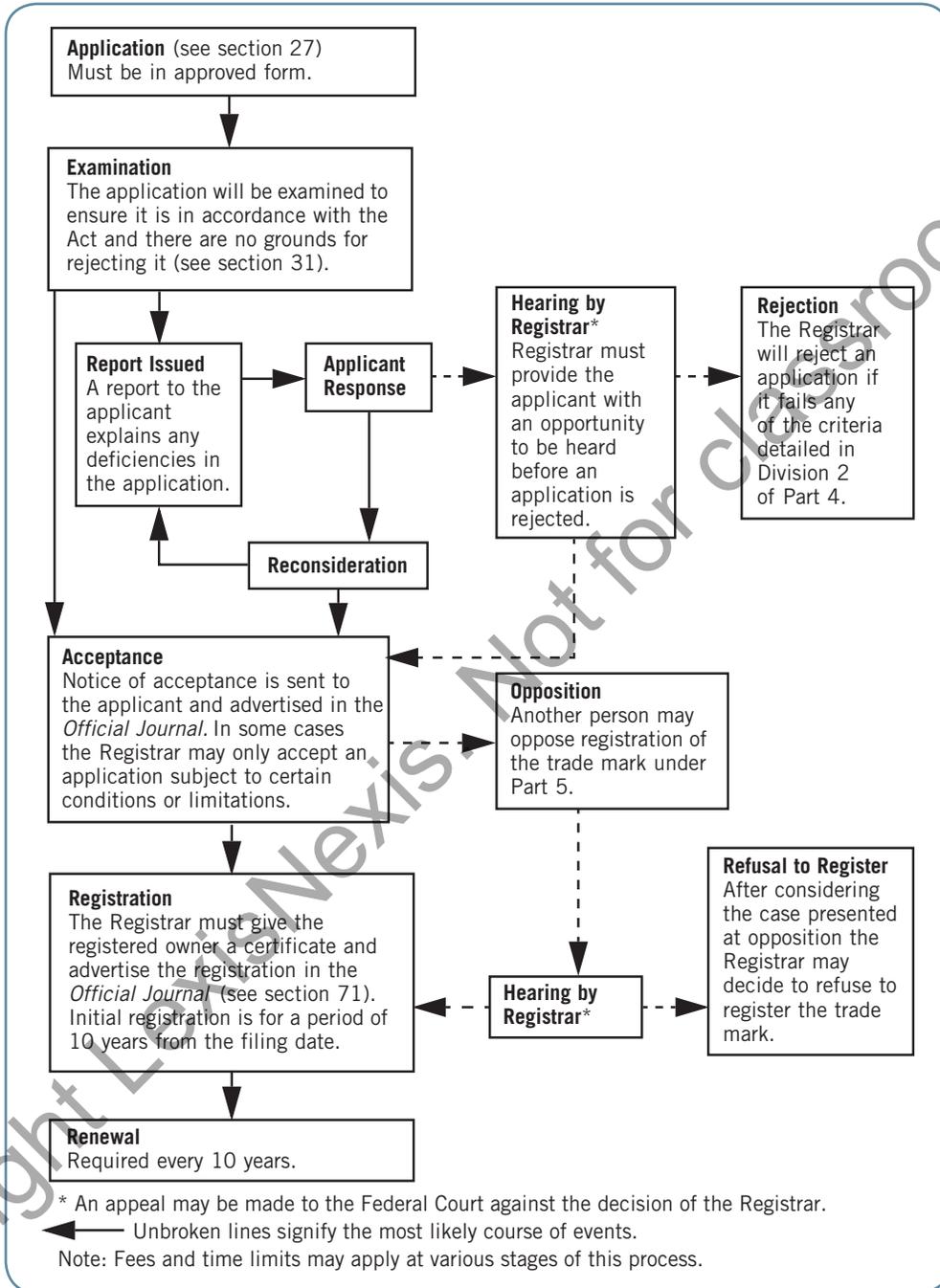
In each case, although with some variations depending on the category of trade mark, the process of registration is the same. Basic features of the registration process are considered next.

## The process of registration

**17.20** Typically, the process from application to registration of a trade mark tracks the following path. First, an application is made to the trade marks office by the person claiming to be the owner of the trade mark pursuant to s 27 of the Act. This filing date is important, not only in the practical sense of starting the process of registration, but also in the particular legal sense of setting the date at which validity is assessed (usually including on matters of priority vis-à-vis conflicting trade marks, since it normally establishes the trade mark's 'priority date' as well). The application specifies the goods or services over which the trade mark will be registered and the class or classes into which those goods or services fall, being a class or classes listed in Sch 1 of the Trade Marks Regulations 1995 (Cth) based on the international classification adopted in the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (the current list can be found on the IP Australia website at <www.ipaustralia.gov.au>). Second, the application is examined by reference to the standards set down in the Act. This stage of the process ends with a decision to accept or reject the application under s 33 of the Act. However, under s 35, an applicant may appeal to the Federal Court from an adverse decision. Third, if the application is accepted, details are published in the *Official Journal* and, pursuant to s 52, there is an opportunity for third-party opposition on grounds prescribed in the Act. The opposition stage also ends in a decision whether to register the trade mark or not; again with an opportunity for appeal to the Federal Court and this time by the opponent as well as the applicant: ss 55 and 56. If there is no opposition, or an opposition is unsuccessful, the trade mark is registered under s 68, sometimes subject to a condition or limitation per s 69(1)(c). (Particulars of voluntary disclaimers may also be recorded: see s 74.) It then remains on the register indefinitely, provided periodic renewal fees are paid, unless it is cancelled or removed pursuant to the Act.

The process is depicted in graphic form in Figure 17.5 (reproduced from an Appendix to the Trade Marks Act 1995).

Figure 17.5: Obtaining registration of a trade mark



## The Madrid Protocol

17.21 The above comments must be qualified by reference to the Madrid Protocol, which Australia is a party to and has implemented through the Trade Marks Amendment (Madrid Protocol) Act 2000 (Cth), introducing a new Pt 17A into the 1995 Act, and the Trade Marks Amendment Regulations 2001 (No 1). The Protocol, as implemented in Australia, establishes a separate process for registering international trade marks covering more than one country. Although the registration process employs national law standards and procedures, the trade marks are registered as international trade marks, accorded a priority date of (generally) first filing, and entered on an international register administered through WIPO. And after five years they become 'independent' (although infringement continues to be dealt with under national law). Being effectively established as a quasi sui generis system for international trade marks, the Madrid Protocol system is not considered further in the chapters that follow, except where specified. For a detailed consideration, readers are referred to J Dwyer and A Dufty, *Patents, Trade Marks and Related Rights*, looseleaf, LexisNexis, Australia, 1996–[70,000]ff.

### 17.22 Question

Is the above rather cumbersome process for Australian trade mark registration, modelled on the standard patent system (and no longer used even for designs), appropriate for the registration of trade marks? For some proposals for streamlining aspects of the process, see *Trade Marks Legislation Review*, Paper 3, IP Australia, September 2004.

### 17.23 Further reading

- M Davison, T Berger and A Freeman, *Shanahan's Australian Law of Trade Marks and Passing Off*, 4th ed, Lawbook Co, Sydney, 2008, Ch 17
- M Davison, A Monotti and L Wiseman, *Australian Intellectual Property Law*, 2nd ed, Cambridge University Press, New York, 2012
- J Dwyer and A Dufty, *Patents, Trade Marks and Related Rights*, looseleaf, LexisNexis, Australia, 1996–
- B Elkington, M Hall and D Kell, *Trade Mark Law in Australia*, LexisNexis Butterworths, Australia, 2000