

WELL KNOWN TRADE MARKS IN AUSTRALIA & NEW ZEALAND: WHAT ARE THEY - AND HOW TO PROVE IT?

In Practice:

- Both Australia and New Zealand have statutory provisions for protecting well known marks. While the actual provisions differ, it is arguable that “reputation” is measured in a similar way in both jurisdictions.
- Reputation can be shown through a variety of means including duration of use; extent of sales and promotional expenditure; indirect advertising; circulation figures; evidence of brand recall; and spillover reputation. The decision maker’s own knowledge of the mark can assist.

“Well known” or “famous” marks and their protection is a topic of international importance, addressed in both the Paris Convention for the Protection of Intellectual Property and the 1994 World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Like other nations, Australia and New Zealand have implemented various provisions to meet their obligations under these agreements to provide broader protection to well known marks. There has been much discussion on the protection of well known marks in our jurisdictions, and whether the current provisions go far enough.

Regardless of the scope of protection afforded in each country, the first (and a very practical) question for practitioners and rights holders is – what constitutes a well known mark? With no clear definition of “well known” in either country, this is not always an easy question to answer.

This article looks at some recent cases from Australia and New Zealand which deal with reputation or fame of trade marks, to attempt to provide some guidance as to how our courts currently measure reputation and the type of evidence that can establish this. These cases may be useful references for practitioners when preparing evidence for oppositions or infringement actions, or simply advising clients on reputation in general.

Shades of Fame

It is important to appreciate that “reputation” can be measured on a continuum scale. The terms “reputation” and “well known” are used in different statutory provisions and there are various actions available to a rights holder:

“reputation”

At the bottom end of the scale are those marks with a “reputation”. Sufficient prior reputation is a threshold requirement for establishing a ground of opposition under s 60 of the *Trade Marks Act 1995* (Cth), on the basis that because of the prior reputation of another mark (registered or unregistered), the use of the applied-for mark would be likely to deceive or cause confusion.

The explanatory memorandum to the Trade Marks Amendment Bill 2006 (Cth) notes that the amended s 60 provisions are intended to meet Australia’s international obligations to protect well known marks. However, it emphasises that:

“(t)he provisions have not been written so as to establish a new class of trade marks (“well-known” marks), or to prescribe a particular threshold of how well-known a mark must be. Rather, the test has been written so that it can apply to all marks. The test depends on the extent of the reputation in Australia that has been acquired by a sign”.¹

The use of the word “reputation” as opposed to the term “well known” in the wording for s 60, and the comments above, suggest that a lower threshold may apply to s 60 than to the infringement provisions in s 120(3) (discussed below).

Under s 17(1)(a) of the *Trade Marks Act 2002* (NZ), there is a similar requirement for establishing a ground of opposition in New Zealand, on the basis of a prior mark.² In *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd*,³ the requisite level of reputation was described as being an “awareness”, “cognizance” or “knowledge” of a

¹ *Explanatory Memorandum to the Trade Marks Amendment Bill 2006*, 4.10.

² Section 17(1)(a) states “The Commissioner must not ...register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or cause confusion”.

³ *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* (1978) NZLR 50.

particular trade mark, in the New Zealand market for the goods covered.⁴ This awareness or knowledge should be “quite substantial” within the appropriate market sector.⁵

Of course, the actions discussed above would also be available for a trade mark with a very high level of reputation (a “well known” mark).

“well-known”

Under s 120(3) of the *Trade Marks Act 1995* (Cth), there are specific provisions for “well known” (registered) trade marks in the context of infringement.⁶ There is no clear definition of “well known” in the legislation, although s 120(4) states that “in deciding... whether a trade mark is **well known in Australia**, one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason”.

Internationally, it has been suggested that the “relevant sector of the public” includes consumers and persons involved in channels of distribution and business circles, related to the goods and/or services to which the registered mark applies and *not* the public at large.⁷

Section 25(1)(c) of the *Trade Marks Act 2002* (NZ) prevents the registration of a mark likely to be taken as indicating a connection in the course of trade with the owner of a

⁴ Ibid, 63.

⁵ *Platinum Homes (NZ) Limited v Golden Homes (1998) Limited* (CIV 2005-485-1870, HC Wellington, 11 August 2006), 31.

⁶ Section 120(3): A person infringes a registered trade mark if:

- (a) the trade mark is well known in Australia; and
- (b) the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:
 - (i) goods (unrelated goods) that are not of the same description as that of the goods in respect of which the trade mark is registered (registered goods) or are not closely related to services in respect of which the trade mark is registered (registered services); or
 - (ii) services (unrelated services) that are not of the same description as that of the registered services or are not closely related to registered goods; and
- (c) because the trade mark is well known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and
- (d) for that reason, the interests of the registered owner are likely to be adversely affected.

⁷ World Intellectual Property Organisation, Geneva, *Joint Recommendation Concerning Provisions on the Protection of Well Known Marks* (2000).

“well known” mark.⁸ In addition, infringement provisions for “well known” (registered) marks are found in s 89(1)(d).⁹

It has been stated in New Zealand that the threshold for establishing “well known” is similar to the level of reputation required for passing off.¹⁰ It has also been stated that the threshold reputation required for “well known” is higher than that required to establish an opposition under s 17(1)(a).¹¹

The differences between the terms “reputation” and “well known” as they apply to the legislation in Australia are less clear. Nonetheless, to establish the requisite reputation for passing off (and by inference, for infringement of a well known mark) it is necessary to prove in a “practical and business sense” that there is a sufficient reputation in the forum; that is, that there are a substantial number of persons who are aware of the prior mark and are possible consumers.¹²

The best known marks can be described as being “notorious”. This term was used in *Registrar of Trade Marks v Woolworths*¹³ when describing the WOOLWORTHS mark. The term “notorious” is not used in any statutory provisions, although this type of fame may be relevant in assessing the consumer’s imperfect recollection of a mark, and the likelihood of confusion or deception. It is these marks which are most likely to experience the “double edged sword” of fame, wherein the marks are considered to be

⁸ Section 25(1)(c): Commissioner must not register a trade mark (trade mark A) in respect of any goods or services if... it is, or an essential element of it is, identical or similar to, or a translation of, a trade mark that is well known in New Zealand (trade mark D), whether through advertising or otherwise, in respect of those goods or services or similar goods or services or any other goods or services if the use of trade mark A would be taken as indicating a connection in the course of trade between those other goods or services and the owner of trade mark D, and would be likely to prejudice the interests of the owner”.

⁹ Section 89(1)(d): A person infringes a registered trade mark if the person does not have the right to use the registered trade mark and uses in the course of trade a sign... identical with or similar to the registered trade mark in relation to any goods or services that are not similar to the goods or services in respect of which the trade mark is registered where the trade mark is well known in New Zealand and the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.

¹⁰ *Automobile Club De L'Ouest, ACO v South Pacific Tyres New Zealand Limited* (2006) 70 IPR 639, 646, 665.

¹¹ See, eg, *Sao Paulo Alpargatas Sa v John Kinghorn & Company Pty Ltd* (IPONZ T6/2009), [38].

¹² *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302, 342, 343, 346 (Lockhart J).; see also *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* (2008) FCAFC 181.

¹³ *Registrar of Trade Marks v Woolworths* (1999) FCA 1020.

so well known that the courts have found that the likelihood of a different mark causing confusion is unlikely.¹⁴

Evidence

A broad array of evidence can be used to establish reputation. The most commonly applied method is to infer reputation from the duration of use and extent of sales and promotion, in combination with “many other factors”.¹⁵ Other factors may include evidence from brand specialists, or evidence of the reactions of consumers to the brands in question.¹⁶

However, reputation does not necessarily require sales of the goods or services within the jurisdiction; it may be proved by a variety of means, including advertisements on television or radio, or in magazines and newspapers within the jurisdiction; by showing constant travel of people between other countries and the jurisdiction, and that people within the jurisdiction (whether residents there or persons simply visiting there from other countries) are exposed to the goods of the overseas owner.¹⁷ However, it has been notoriously difficult to establish reputation in Australia or New Zealand without evidence of sales and direct advertising in these jurisdictions.

As stated by Kenny J in *McCormick & Company Inc v McCormick*,¹⁸ assessment of the reputation of a mark goes far beyond mere examination of sales figures and promotional expenditure; reputation derives from both the quantum of sales and also the esteem, or image, projected by the mark. The esteem component of the reputation can come from sponsorships, cross-promotions, event association and so on.

¹⁴ See, eg, *CA Henschke & Co v Rosemount Estates Pty Ltd* (2000) 52 IPR 42, 66; *Torpedoes Sportswear Pty Ltd v Thorpedo Enterprises Pty Ltd* (2003) 59 IPR 318; *Crazy Ron's Communications Pty Ltd v Mobileworld Communications Pty Ltd* (2004) 61 IPR 212, 232-233; *Flight Centre Pty Ltd v World Flight Centre Pty Ltd* (2003) ATMO 60; *Mars Australia v Sweet Rewards Pty Ltd* (2009) FCA 606; cf *Intel Corp v Intel Engineering Pty Ltd* (2006) ATMO 38; *New Zealand Milk Brands Limited v NV Sumatra Tobacco Trading Co*.

¹⁵ *Somers v Greenbelt Pacific Pty Ltd* (1998) 42 IPR 587, 590; see also *McCormick & Company Inc v McCormick* (2000) 51 IPR 102, [85]-[86].

¹⁶ In *Reckitt & Colman Products Ltd v Borden Inc* (1987) 10 IPR 21 this type of evidence was used to establish reputation in the get-up of JIF lemon juice.

¹⁷ *Conagra Inc v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR, 234:

¹⁸ *McCormick & Company Inc v McCormick* (2000) 51 IPR 102, [85]-[86].

The recent comments of Finkelstein J in *Hansen Beverage Company v Bickfords (Australia) Pty Ltd*¹⁹ suggest that the “esteem” component (relating to indirect advertising) may be of greater importance in future cases. In this decision, Finklestein J notes that the advertising industry has moved away from primarily relying on direct advertising, in the belief that indirect communication sometimes expresses a point with more impact. He concludes that the judge at first instance was “entitled to infer that the indirect brand advertising ... can establish reputation as well as, if not better than, direct advertising”.²⁰ It will be interesting to see whether greater emphasis is placed on reputation accrued through indirect advertising when the primary judge reconsiders this case, and in future decisions.

Recent cases – a snap shot

A quick summary of some decisions over the past 12 months (at both Offices and the Courts) gives an insight into the kinds of marks that have been considered to have a “reputation” or to be “well known”:

Australia

- **MALTESERS** In the recent decision *Mars Australia v Sweet Rewards Pty Ltd*,²¹ the reputation of the trade mark MALTESERS and the get up of its packaging was considered for the purposes of passing off and trade mark infringement. It was held that MALTESERS was a “well known confectionery” and that Mars had also acquired a reputation in the get-up of the Maltesers packaging. It was noted that the evidence of reputation was “indirect” and referred to the manner in which Maltesers was marketed and also branding guidelines. Only certain elements in the packaging (the brand name MALTESERS in stylised script moving bottom left to top right; a red background; floating chocolate balls) were found to have a reputation.
- **SEX AND THE CITY** In an opposition before the Registrar,²² the mark SEX AND THE CITY was held to have a “reputation” as applies to s 60. It was noted that around 94 episodes had been broadcast, and that the show was “apparently

¹⁹ *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* (2008) FCAFC 181.

²⁰ *Ibid*, [64], Finkelstein J.

²¹ *Mars Australia v Sweet Rewards Pty Ltd* (2009) FCA 606.

²² *Home Box Office, Inc v Susan Stigwood Pty Ltd* (2008) ATMO 31.

popular”, with an audience of 6 million in Sydney alone and more in Melbourne. However, the Delegate stated that “such an audience is impressive although there is nothing in the evidence to suggest the opponent’s program was as ubiquitous as, say, *The Simpsons*.”²³ Nonetheless, the Delegate accepted that the words SEX AND THE CITY were “quite well known” in Australia.

- **GOOGLE** In an opposition to the trade mark GOOGLEBAY,²⁴ the Registrar’s delegate relied on his own awareness of the GOOGLE mark in concluding that GOOGLE has a “vast reputation”.²⁵ The evidence showed extremely high sales revenues and advertising expenditure, as well as referring to a consumer voting survey which ranked GOOGLE as one of the five most identifiable brands in the world for the years 2001 to 2006 inclusive.²⁶
- **DOULTON** In an opposition before the Registrar,²⁷ it was held that the opponent had a “considerable reputation” in its name and trade mark ROYAL DOULTON.²⁸ The opponent’s evidence showed franchising in respect of a range of goods and, importantly, licensing of the mark in respect of the relevant goods. The Registrar’s delegate went on to state that ROYAL DOULTON was “very well known”.²⁹
- **HUSH PUPPIES** In an opposition before the Registrar,³⁰ the reputation of the trade mark HUSH PUPPIES was held to be “very substantial”, particularly in relation to footwear.³¹ Evidence noted to be persuasive included wholesale figures for both footwear and non-footwear goods, high advertising expenses and the number of hits on the opponent’s website.

²³ Ibid, [13].

²⁴ *Google, Inc v Dimitri Rytsk* (2008) ATMO 40.

²⁵ Ibid, [33].

²⁶ Ibid, [6], [8].

²⁷ *Royal Doulton (UK) Ltd v Confectionery Importers of Australia Pty Ltd* (2008) ATMO 28.

²⁸ Ibid, [22].

²⁹ Ibid, [29].

³⁰ *Wolverine World Wide, Inc v Khodar Ali Ahmed* (2008) ATMO 93.

³¹ Ibid, [35].



- **TELEVISION FOOD NETWORK**, On appeal at the Federal Court,³² a new ground of opposition in relation to s 60 was raised. The opponent sought to establish that it had a reputation in trade marks incorporating the words FOOD NETWORK. The evidence showed that at least one of the FOOD NETWORK trade marks was shown for at least five seconds at the beginning and end of the opponent's programs when broadcast in Australia. However, Collier J was not satisfied that this proved the marks had an established reputation in Australia. Further, broadcasting figures in the USA and monthly hits on the opponent's website were considered irrelevant, without more specific detail about reputation in Australia.



- **GOLDEN BEAR** In an opposition before the Registrar³³ all of the parties involved, including the hearing officer, accepted that GOLDEN BEAR was well known in golfing circles as the nickname of Jack Nicklaus: "the fame of Jack Nicklaus is not in question and I will accept that, from the evidence, the products bearing the opponent's trade marks had achieved a significant reputation".³⁴
- **PIONEER** This appeal at the Federal Court³⁵ concerned applications for removal of the PIONEER trade marks on the grounds of non-use. However, a relevant factor in the decision was that PIONEER had acquired a "significant reputation" in Australia in relation to electronic products.³⁶ This supported the exercise of the Registrar's discretion not to remove the goods despite there being no use.³⁷ Interestingly, Bennett J also indicated that the reputation of PIONEER was such that it could rely on the infringement provisions of s 120(3) as a "well known mark" if needed.³⁸

³² *Television Food Network G.P. v Food Channel Network Pty Ltd* (2009) FCA 271.

³³ *Nicklaus Companies LLC v Michael Randazzo* [2009] ATMO 63.

³⁴ *Ibid*, [10].


³⁵ *Pioneer Computers Australia Pty Limited v Pioneer KK* (2009) FCA 135.

³⁶ *Ibid*, [33].

³⁷ *Ibid*, [222].

³⁸ *Ibid*, [231].

New Zealand

-  In an opposition before the Commissioner,³⁹ McDonald's Golden Arches mark was held to be "very well known" in the relevant market for the purposes of s 17(1)(c) and s 25(1)(c). Evidence tendered by McDonald's included: packaging and toys bearing the mark; photographs of store frontage displaying the mark; articles referring to "golden arches" in a particular publication, including readership and circulation figures for that publication; and a report from the New Zealand Television Broadcasters' Council listing McDonald's in the Top 50 Advertisers 2003.
- **ANCHOR** On appeal to the High Court⁴⁰ and "without recourse to the affidavit evidence", Dobson J held that the mark ANCHOR is an "iconic and long-standing brand of dairy products, and would meet the standard of reputation required for the tort of passing off"⁴¹ Despite this comment, Dobson J only considered reputation for the purposes of s 17(1)(a) and s 25(1)(c) and did not express a final opinion on whether the proposed registration of ANGKOR would be contrary to law under s 17(1)(b) (ie commit the tort of passing off). However, Dobson J's comments indicate that in the case of a very well known mark, the decision maker's own knowledge of the mark can carry as much weight as the evidence.
- **TIC TAC** In an appeal from an opposition before the Commissioner⁴², the High Court reversed the decisions, however accepted that the trade mark TIC TAC had a reputation and was well known in New Zealand in respect of the opponent's mints. Evidence filed by the opponent included market surveys showing a significant level of brand recall within New Zealand for the TIC TAC mark and products (97% and 98% of consumers assessed, respectively).

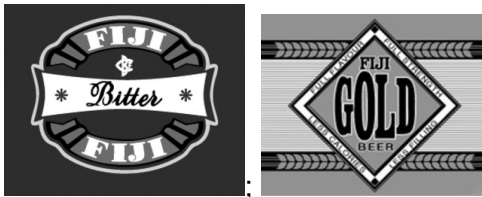
³⁹ *McDonald's International Property Company Ltd v AJ Enterprises (Aust) Pty Ltd* (IPONZ T12/2009).

⁴⁰ *New Zealand Milk Brands Limited v NV Sumatra Tobacco Trading Co* (2008) CIV-2007-485-2485.

⁴¹ *Ibid*, [48].

⁴² *Wistbray Limited v Ferrero S.p.A* (2008) CIV-2007-485-460.

- TENARIS** In an opposition before the Commissioner,⁴³ Siderca Sociedad Anonima Industrial y Comercial attempted to establish that there was an awareness of its mark TENARIS for the purposes of s 17(1)(a) and that the mark was well known for the purposes of s 25(1)(c) (in relation to tubular products and services). The opposition was unsuccessful, as the Commissioner was unable to assess from the evidence the level of exposure in the relevant market of the TENARIS mark and brand. Siderca relied in part on spillover reputation from overseas markets, which the Commissioner noted was “not an easy task”⁴⁴. The evidence did not provide official figures as to the movement of people between the markets, or any indication as to how those people would have been exposed to the mark. Evidence of the circulation of overseas publications in New Zealand carried insufficient dates and circulation figures, and there was an absence of any clear link between the evidence and an awareness of the mark in the relevant market. Although Siderca provided evidence from 6 witnesses in the oil & gas industry, the Assistant Commissioner considered that it was not appropriate to “impute the knowledge of six witnesses to 900 people in the industry”⁴⁵. This decision highlights the importance of connecting every piece of evidence back to the relevant market, particularly when the market is a specialist one and unlikely to be familiar to the decision maker.



- In an opposition before the Commissioner,⁴⁶ Foster's established that there was likely to be a “sufficiently substantial awareness” of its pictured trade marks in New Zealand for the purpose of s 17(1)(a). Foster's had not sold any beers under these marks in New Zealand. However, the marks had been used extensively in Fiji. Foster's provided evidence relating to its market share of the Fijian beer market, as well as evidence of advertising in or around Fijian pubs, at Nadi Airport, in in-flight magazines on planes and through sponsorship of sports in Fiji. Further, the evidence showed significant numbers of people traveling between

⁴³ *Siderca Sociedad Anonima Industrial Y Comercial v Tibotec Pharmaceuticals Ltd* (IPONZ T1/2009).

⁴⁴ *Ibid*, p 15.

⁴⁵ *Ibid*, pp 16-17.

⁴⁶ *Flour Mills of Fiji Limited v Foster's Group Pacific Limited* (2009) NZIPOTM 15.

New Zealand and Fiji over the relevant period. From this, it was inferred that due to the strong presence of the goods in the Fijian market, the significant number of travelers between New Zealand and Fiji were likely to have been exposed to the opponent's marks and products.⁴⁷

- **HAVAIANAS** In an opposition before the Commissioner,⁴⁸ it was held that there was a “sufficiently substantial awareness” of the mark HAVAIANAS for the purpose of s 17(1)(a), but not for the higher threshold of “well known” for the purpose of s 25(1)(c). The opponent's evidence included details of the history of HAVAIANAS sandals and information about sales and advertising campaigns in New Zealand. Unfortunately, the Assistant Commissioner did not elaborate as to why she considered the evidence did not establish that the opponent's marks were well known.

The Next Step?

The above cases show that there are lots of different angles to consider when gathering evidence of reputation in Australia and New Zealand.

In many of the cases referred to in this article, despite establishing that their marks had the requisite reputation, the trade mark owners were unsuccessful in their actions. This is because reputation is only the first hurdle towards establishing a ground of opposition or a finding of infringement. Following this, it is also necessary to show a likelihood of confusion or deception,⁴⁹ a “connection” and an adverse effect on the rights holder,⁵⁰ or that the mark takes an unfair advantage of, or is detrimental to, the distinctive character or repute of the well known mark.⁵¹ This can be more onerous than making out a case in the USA or EU, where anti-dilution provisions can be relied on. Many cases come undone at this next stage and, while it is a topic for another day, establishing this next step should be at the back of practitioner's minds throughout the evidence gathering process.

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⁴⁷ Ibid, [23].

⁴⁸ *Sao Paulo Alpargatas Sa v John Kinghorn & Company Pty Ltd* (IPONZ T6/2009).

⁴⁹ Section 60 *Trade Marks Act 1995* (Cth); Section 17(1)(a) *Trade Marks Act 2002* (NZ).

⁵⁰ Section 120(3) *Trade Marks Act 1995* (Cth); Section 25(1)(c) *Trade Marks Act 2002* (NZ).

⁵¹ Section 89(d) *Trade Marks Act 2002* (NZ).