

INTELLECTUAL PROPERTY

# Promotion without Protection - Risky Business!

A decision by the Federal Court of Australia in September 2005 to refuse an opposition to the registration of a trade mark highlights the importance of applying to register a trade mark as soon as possible, especially when preparing to introduce a new brand.

In the case of *Shahin Enterprises Pty Ltd v Exxonmobil Oil Corporation*, a family company operated a variety of businesses (including tobacconists, petrol stations, convenience stores and food outlets). After engaging a marketing firm to report on its "drive-thru" convenience stores, it decided to use the name "On the Run" (the "Mark").

Shahin Enterprises Pty Ltd ("Shahin"):

- registered the business names "On the Run" and "On the Run Convenience Store";
- designed and ordered signage;
- distributed flyers; and
- displayed an A-frame sign with the words "On the Run".

No application was filed to register a trade mark.

Exxonmobil Oil Corporation ("Exxonmobil") subsequently lodged an application to register the words "On the Run" as a trade mark in respect of the provision of goods including petrol, clothing, food and drinks.

Shahin opposed the registration on the grounds that Exxonmobil was not the owner of the trade mark.

The Federal Court found that Shahin had not used the words "On the Run" as a mark and made a distinction between the use of:



- a name in trade or to carry on business; and
- a mark to distinguish the goods or services provided by one person from those provided by any other person.

It was found that the distribution of flyers and use of a sign by Shahin were merely evidence of an intention to carry on business under a name. It did not amount to the use of a mark to distinguish goods or services dealt with or provided by Shahin from those provided by any other person. The court found no evidence of an intention to brand any goods with the Mark.

If Shahin had applied for registration of the Mark first, it would have obtained a priority over Exxonmobile in relation to the registration of the Mark.

# Quick and Easy Assessment of Unregistered Marks

If you are using a trade mark that is not registered or intend to use a new trade mark and are unsure whether that mark may be registered as a trade mark, IP Australia's new "Assisted Filing Service" (AFS) may be of interest.

An AFS application:

- provides an up-front assessment of the suitability of your trade mark for registration prior to filing an application for registration;
- is reviewed and assessed by IP Australia within five working days; and
- costs only \$90 per class.

Based on the assessment, you may decide whether to

proceed to the standard application for registration having a clearer indication of whether your application is likely to be accepted, rejected or whether further submissions will be required.

Upon receipt of the assessment, if you decide to proceed with the standard application the fee is significantly reduced from \$150 to \$90 per class. This means that the total difference payable for having first lodged an AFS application is only \$30 per class.

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# Are your Registered Trade Marks Safe?

Even after your trade marks have been registered you are not safe! Someone may still register a trade mark that you consider to be similar or identical to your trade marks. If this occurs, the value of your trade marks is likely to suffer.

After a trade mark is registered, the mark can only be removed from the Official Register of Trade Marks by initiating court proceedings. Such proceedings are time consuming, expensive and have no guarantee of success.

Our trade mark "Watching" service can help to avoid this.

Before a trade mark is registered it must pass a 3 month opposition period. During that period any person may oppose the registration of the trade mark. At the end of the opposition period, if there has been no opposition, the trade mark is registered.

As part of our "Watching" service, we review all advertised trade marks. If we consider any advertised trade marks to be similar or identical to any registered trade marks that are on our "Trade Mark Watch"



database we advise the registered proprietor of the details in sufficient time to oppose the registration of those marks.

Please contact Tania Zordan if you have any trade marks that you would like added to our "Trade Mark Watch" database or if you wish to discuss this service further.

# Are Australians getting a "Fair Deal"? Manufacturers, Retailers, Hirers and Consumers of Copying Equipment may all Infringe Copyright

The recent opening in Australia of an iTunes Music Store has again focused attention on Australia's copyright laws.

In Australia, the copyright owner has the exclusive right to do, and authorise others to do, specified acts with copyright material, such as the copying of sound recordings.

This is not unique to Australia. However, other countries have "fair use" legislation which allows personal use. For example, in the USA, once a person has bought a CD, that person may make a copy of the CD for personal use. This is not permitted in Australia where the "fair dealing" provisions are more limited in their application. In Australia, if a consumer purchases a CD and makes a copy of that CD to play in the car, he or she is infringing copyright.

In addition to infringement by consumers, the *Copyright Act 1968 (Cth)* (the "**Act**") states that an infringement of copyright occurs when any act is either done or authorised which is not comprised in the copyright. This provision has been more broadly interpreted in Australia than the similar provision in the USA.

In *University of New South Wales V Moorhouse* [1975] the High Court of Australia found that a university library had authorised the illegal photocopying of books by providing photocopying facilities. It was found that the library had extended an invitation to users to make use of the facilities as they saw fit by supplying books and copy machines.

In that case, Justice Gibbs held:

*"a person who has under his control the means by which an infringement of copyright may be committed ... and who makes it available to other persons, knowing, or having reason to suspect, that it is likely to be used for the purpose of committing an*

*infringement... would authorize any infringement that resulted from its use."*

Subsequent amendments to the Act apply only to libraries.

This interpretation of the authorisation principle impacts the providers of a wide range of copying equipment and copying software who may be in breach of the Act. By introducing its iTunes Music Store, Apple has reduced its risk by facilitating the authorised downloading of sound recordings and copying of those sound recordings. However, other providers of MP3 devices and accompanying software remain exposed by inviting users to make unauthorised copies of their CDs.

The risk is not limited to manufacturers. By providing copying equipment and/or copying software, whether in the form of digital technology or video cassette recorders, a hirer or retailer of goods may be breaching copyright laws. The hirer or retailer is likely to have the equipment by which an infringement may be committed under its control and makes that equipment available to other persons having reason to suspect that it is likely to be used for the purpose of committing an infringement.

While there is a similar concept in the US, authorisation itself does not give rise to an infringement. Under US law, an additional element of material contribution to the infringement is required before a person can be found to have authorised an infringement of copyright.

The Federal Government is holding an inquiry into Australia's copyright laws and recognises that issues associated with "fair use" need to be properly considered. It is currently seeking submissions on various options proposed in its Issues Paper entitled "*Fair Use and Other Copyright Exceptions*".

Contact Details: Tania Zordan, Partner. Email: [zordant@kempstrang.com.au](mailto:zordant@kempstrang.com.au). Tel: +61 2 9225 2551

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