

Locutus

THE NEWSLETTER OF INTELLECTUAL PROPERTY LAW, STATUTORY DECEPTIVE
CONDUCT AND FRANCHISING LAW

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Welcome to Locutus

April/May 2010

Locutus is a newsletter of current news, recent cases, and practice decisions. It is authored by Carmen Champion Barrister-at-Law.

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TRADE MARK LAW

A return to the past and common sense!!!

E. & J. Gallo Winery v Lion Nathan Australia Pty Limited [2010] HCA 15 (19 May 2010)

In this proceeding, the Full Court correctly recognized that the offer for sale and selling, by Beach Avenue, of the bottles of wine which bore the registered trade mark constituted "use" of the trade mark in Australia within the meaning of s 7(4) of the Trade Marks Act 1995 (Cth). The principal issue turned on whether that use was use by the registered owner in circumstances where the branded products had been sold to a German company with the manufacturer being unaware that some of it was going to be on-sold to Australia.

Importantly, the High Court held that:

1. *"Whilst that definition (section 17) 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.

In Coca-Cola Co v All-Fect Distributors Ltd[19] a Full Court of the Federal Court of Australia said:

"Use 'as a trade mark' is use of the mark as a 'badge of origin' in the sense that it indicates a connection in the course of trade between goods and the person who applies the mark to the goods ... That is the concept embodied in the definition of 'trade mark' in s 17 – a sign used to distinguish goods dealt with in the course of trade by a person from goods so dealt with by someone else."

That statement should be approved.

2. The capacity of a trade mark to distinguish a registered owner's goods from those of others, as required by s 17, **does not depend on whether the owner knowingly projects the goods into the Australian market.** It depends on the goods being in the course of trade in Australia. Each occasion of trade in Australia, whilst goods sold under the trade mark remain in the course of trade, is a use for the purposes of the Trade Marks Act. **A registered owner who has registered a trade mark under the provisions of the Trade Marks Act can be taken, in general terms, to have an intention to use that trade mark on goods in Australia.** It is a commonplace of contemporary international trade that prior to consumption goods may be in the course of trade across national boundaries.
3. The use that had occurred was a use in good faith by the registered proprietor.
4. The trade mark used was the registered trade mark despite the addition of the barefoot logo as the logo simply acted as an illustration of the registered mark "Barefoot".

Health World Ltd v Shin-Sun Australia Pty Ltd [2010] HCA 13

Issue: meaning of person aggrieved in context of sections 88(1) and 92(1) of the Trade Marks Act 1995 (Cth).

Held:

1. So far as the Full Court in *Kraft's* case held that the test which it found Health World to have failed was an exhaustive test, *Kraft's* case should be overruled;
2. *Lord Pearce's test set out in "Daiquiri Rum" Trade Mark is sound in principle, given the importance of construing "aggrieved" liberally. Shin-Sun submitted that the test required the applicant to establish a reasonable possibility that the trade mark proprietor in maintaining registration was having an adverse impact on the applicant. The test does not require that, beyond proof of trade rivalry."*

Trade Marks Office Decisions

Guess Europe SAGL v Nick Zisimopoulos & Mary Tuccericimini [2010] ATMO 24 (30 March 2010)

RE: dismissal by the Registrar of an opposition, and the refusal of a late application for an extension of the time to provide security for costs in opposition to registration proceedings.

Held: Section 222 decision by Registrar to dismiss opposition not properly made and therefore set aside – discretion not properly exercised and natural justice not afforded to the opponent, in the form of an opportunity to be heard. Section 224 extension of time no longer relevant.

COPYRIGHT

Solitaire Homes Pty Ltd v Urban Ventures Pty Ltd & Ors [2010] FMCA 185

Alleged infringement of copyright of project home house plans. Issues of subsistence of copyright and “substantial part”. General principles regarding damages or account of profits cost of the proceedings a factor in the award of exemplary damages.

PRACTICE & PROCEDURE

Young v Wyllie [2010] FCA 283

Issue: Summary judgment application pursuant to s 31A of the Federal Court of Australia Act 1976 (Cth). Applicant’s claim based on copyright infringement and contravention of section 52 of the Trade Practices Act 1974 (Cth).

The approach adopted by Moore J was as follows:

“Before considering the particular issues in this matter, it is convenient to mention how the exercise of the power conferred by s 31A should be approached. In the present case, the question is whether any of the respondents have no reasonable prospect of defending the proceedings or any part of the proceedings. How this question should be answered was recently discussed by Foster J in Wang v Anying Group Pty Ltd [2009] FCA 1500 at [43]:

The critical words of s 31A (1), when applied to the present case, require me to be satisfied that the respondents have “... no reasonable prospect of successfully defending the proceeding ...”. The following principles may be extracted from the authorities:

- (a) The moving party does not have to demonstrate that the defence is hopeless or unarguable;*
- (b) The Court must consider the pleadings and the evidence with a “critical eye” in order to see whether the respondent party has evidence of sufficient quality and weight to be able to succeed at trial (Jefferson Ford Pty Ltd v Ford Motor Company of Australia Ltd [2008] FCAFC 60; (2008) 167 FCR 372 at [23] (p 382) (per Finkelstein J));*
- (c) The respondent party is not obliged to present its whole case in order to defeat the summary judgment applicant but must at least present a sufficient outline of the evidence in order to enable the Court to come to a preliminary view about the merits for the purpose of considering the statutory test in s 31A(1)(b) (Jefferson Ford Pty Ltd [2008] FCAFC 60; 167 FCR 372 at [22] (p 382) (per Finkelstein J)); and*
- (d) The test may require greater scrutiny of the pleadings and evidence in some cases than in others. In my judgment, the words of s 31A (1) compel a flexible approach. The real question in every case is not so much whether there is any issue that could arguably go to trial but rather whether there is any issue that should be permitted to go to trial. This seems to be the approach of Finkelstein J in Jefferson Ford Pty Ltd [2008] FCAFC 60; 167 FCR 372 and of Gordon J in the same case (as to which see [123]–[134] (pp 406–409)), although Rares J in that case at [73]–[74] (p 394) and in Boston Commercial Services Pty Ltd v GE Capital Finance Australasia Pty Ltd [2006] FCA 1352; (2006) 236 ALR 720 esp at [45] (p 731) favoured a test which is much closer to the older test articulated in authorities decided under Rules of Court expressed in terms different*

from the language of s 31A(1)).

I am content to adopt broadly the same approach. Foster J went on to indicate that he agreed with the summary of the relevant principles given by Gilmour J in Dandaven v Harbeth Holdings Pty Ltd [2008] FCA 955. Generally, I also agree. However it was submitted in this matter that before a point was reached where the prospects of a respondent successfully defending the proceedings was considered, it was necessary to consider whether there was a case of substance advanced by the applicant to which a sustainable (in the sense of having reasonable prospects of success) defence would have to be raised. I think, in this particular case, there is much to commend such an approach though in most cases where the prospects of a respondent successfully defending the proceeding was raised, the assumed starting point would be that the applicant did have a case of substance though that, in turn, may depend on the extent to which the applicant's asserted case was admitted or denied in the defence.”

And finally...

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