GETTING THE DEAL THROUGH®

Trademarks

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Trademarks 2012

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Australia

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1 Ownership of marks
Who may apply?

Any person claiming to be the owner of a trademark can apply for its registration. The applicant must have legal personality. It can be an individual, company or incorporated association. If two or more persons own a trademark, they should jointly apply for its registration.

An application for a collective trademark need not be made by a person or persons having legal personality.

An applicant must have an address for service in Australia.

2 Scope of trademark
What may and may not be protected and registered as a trademark?

Under the Trademarks Act 1995 (Cth) (the Act), a trademark is 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 dealt with or provided by another person. A sign is defined in the Act as including any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent or any combination of these. Moving images, holograms and gestures may also qualify provided that clear representations and descriptions accompany the trademark application. A trademark must be capable of being represented graphically.

To be registrable, the sign must be capable of distinguishing the goods and services under the trademark from those of other traders. The trademark will be examined to establish if it is inherently adapted to distinguish the goods and services from those of other traders.

Trademarks that are not inherently adapted to distinguish goods or services are mostly trademarks that consist wholly of a sign that is ordinarily used to indicate the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic of goods or services or the time of production of goods or of the rendering of services.

Trademarks which are scandalous or the use of which is contrary to law (any law, statutory or otherwise) may not be registered.

Trademarks which are likely to deceive or cause confusion will be rejected by the Trademarks Office of IP Australia (TMO).

Certain specific words and signs cannot be registered under the Trademarks Regulations 1995 (Regulations) and the Act such as:
- trademarks containing the words ‘patent’, ‘registered’ or ‘copyright’ and other similar words;
- representations of the arms, flag or seal, of the Commonwealth or a state or territory of Australia or of a city or town in Australia or public authority or public institution in Australia;
- representation of a mark notified by the International Union for the Protection of Industrial Property; and
- specific words including Austrade, CES, Olympic Champion, Repatriation, Returned Airmen, Returned Sailor and Returned Soldier.

3 Common law trademarks
Can trademark rights be established without registration?

Yes. Unregistered trademarks may be protected under the common law tort of passing-off.

They may also be protected under section 18 of the Australian Consumer Law in schedule 2 of the Competition and Consumer Act 2010 (Cth) (the ACL), if it can be proven that conduct is misleading or deceptive or is likely to mislead or deceive. Proof of an established reputation in the mark is necessary.

4 Registration time frame and cost
How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

For a straightforward trademark application (ie, where no objections have been raised by the TMO or oppositions raised by third parties), the registration process typically takes about eight to nine months.

The TMO charges official fees for trademark applications which are currently A$120 or A$160 per class if filed online. The TMO’s official fee to register a trademark is A$250 per class. Professional fees are generally charged on a fixed fee basis, but vary between professionals.

If the TMO raises objections against the trademark application or if a third party opposes the application, then this would delay the registration of a trademark and also add to the cost.

5 Classification system
What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

The Nice Classification system is used. Applicants can claim any goods and services that they use or intend to use under the trademark.

6 Examination procedure
What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

In order to determine whether to grant a registration, the TMO must ensure that all formalities of the application meet the statutory requirements of the Act, the Regulations and the TMO’s practice and procedures. This includes ensuring that the applicant’s name and identity is correct and complies with the Act and that a graphical representation of the trademark has been provided. For non-traditional trademarks such as sound, colour, shape, scent, aspect of packaging, moving images, holograms and gestures, the TMO must ensure that the application contains a concise and accurate description of the trademark. If the trademark contains non-English words the registrar may request an English translation. If the mark contains non-Roman

characters, the applicant is required to provide a transliteration of the words into Roman letters along with a translation of the words into English. Where a translation or transliteration has been provided, an endorsement from the applicant is also required. The specification of goods and services provided will also be examined to ensure that it complies with the formality requirements.

Applications are then examined for potential conflicts with other trademarks as well as other potential breaches of the Act, such as, descriptiveness of the trademark and whether it is inherently registrable.

Under the Act, the registrar of the TMO must examine and report on whether the application has been made in accordance with the Act and whether there are grounds under the Act for rejecting it. Examination is usually within 17 weeks of the application date (unless examination has been expedited by the applicant).

The registrar must, after examination, accept the application unless there are grounds for rejecting it under the Act. The registrar may accept the application subject to conditions or limitations. If the registrar is satisfied that the application has not been made in accordance with the Act or there are grounds under the Act for rejecting it, it must reject the application.

The registrar must notify the applicant, in writing, of the decision in relation to acceptance or rejection of a trademark after examination. If objections are raised, the examination report provides a deadline of 15 months for final acceptance of the trademark so that the applicant can try to overcome the objections raised in the report. This deadline can be extended for a certain period upon application to the registrar.

The applicant may respond in writing to the registrar's report and can file statutory declarations evidencing use of the trademark, or submissions outlining arguments contesting a belief of the registrar or another matter in the report, or both. The applicant can request that the application be amended in accordance with the Act.

If the registrar continues to believe that the application is not in accordance with the Act or the Regulations, or there are grounds for rejecting it, the registrar must report this in writing to the applicant. This report must include notice of the date on which the application will lapse if it is not accepted earlier.

The applicant is also given the opportunity to be heard in respect of the examination report.

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

No. A trademark can be used or intended for use by the applicant.

However, if the registrar raises objections to the trademark due to conflict with prior trademarks, or the trademark is not capable of distinguishing the goods or services under the trademark, then the applicant will have to submit evidence of use or intended use to overcome such objections.

A third party can challenge for removal of a registered trademark if there has not been use of the trademark in Australia, or no use in good faith of the trademark in Australia for a continuous period of three years ending one month before the date on which the non-use application is filed. Such a non-use application may not be made before a period of five years from the filing date for the registered trademark.

The removal of a trademark for non-use is not retrospective. The removal commences from the date on which the trademark is removed from the TMO Register and not at the end of the three year non-use period.

Foreign trademark applications filed in a member country of the Paris Convention are granted rights of priority provided that the same trademark application is filed in Australia within six months of the filing date of the Convention country application. The claim for priority should be made at the time of filing the Australian application but can be made, at the latest, within two days of filing the application with the Australian TMO.

8 Appealing a denied application

Is there an appeal process if the application is denied?

If the registrar rejects an application, the applicant must be given an opportunity to be heard before the application can finally be rejected.

The applicant may appeal to the Federal Court against a decision of the registrar to accept the application subject to conditions or limitations or to reject the application.

A decision of the registrar as to the class in which goods or services are comprised is not subject to appeal or other proceedings under the Act.

9 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

Yes. A third party can oppose the registration of a trademark within three months of the date of publication of the registrar's acceptance of the trademark. An application may be made for an extension of time in which to oppose a trade mark registration provided that the trademark has not been registered.

The registration may be opposed on any of the grounds on which the application may be rejected by the TMO under the Act, except on the grounds that the trademark cannot be represented graphically.

The primary bases of such challenges are as follows:

- the applicant is not the owner of the trademark;
- the opponent claims earlier use of a similar trademark;
- the applicant is not intending to use the trademark;
- the trademark is similar to a trademark that has acquired a reputation in Australia;
- the trademark contains or consists of a false geographical indication;
- the application is defective;
- the application has been made in bad faith;
- the application contains certain signs prohibited by the Act;
- the trademark does not distinguish the applicant's goods or services;
- the trademark is scandalous or contrary to law;
- the trademark is inherently likely to deceive or cause confusion;
- the trademark is identical to trademarks protected under the Madrid Protocol; or
- the trademark is substantially identical with or deceptively similar to another trademark.

The opposition procedure involves the opponent lodging a notice of opposition with the TMO outlining the grounds of opposition. It must then serve evidence in support of its opposition via statutory declaration. The applicant can serve evidence in reply to the evidence in support. Ultimately the matter can lead to a hearing in relation to the opposition proceedings and the registrar will decide the matter.

A third party can seek the cancellation of a registered trademark on the grounds of non-use of the trademark.

An application for non-use may not be made before a period of five years from the filing date in respect of the application. The application may be made on the grounds that the trademark has remained registered for a continuous period of three years ending one month before the day on which the non-use application is filed, and at no time during the period has the person who was the registered owner

used the trademark in Australia or used the trademark in good faith in Australia in relation to the goods or services (or both) to which the application relates or that the time the application was filed, the applicant had no intention in good faith to use the trademark, authorise its use or to assign it.

Once a non-use application is filed, the registrar sends a copy of the application to interested parties. The application is advertised in the Australian Official Journal of Trade Marks. The non-use application may be opposed within three months of the advertisement. The procedure is then similar to the opposition proceedings above.

A trademark can be revoked by the registrar if he or she is satisfied that the trademark should not have been registered, taking into account the circumstances that existed when the trademark became registered, and if it is reasonable to revoke the registration. Revocation can only occur if the registrar gives notice of the proposed revocation to the registered owner of the trademark and any person claiming a right or an interest in the trademark, within 12 months of the registration of the trademark.

The court may, on application from an aggrieved person, order that a trademark be cancelled if the conditions or limitations in relation to the trademark have been contravened. The court can also cancel a trademark on any of the grounds on which registration of the trademark could have been opposed under the Act, or other specified grounds under the Act.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

Registration lasts for 10 years from the filing date of the trademark.

To maintain a registration, a renewal fee is required. The current official renewal fee is A$300 per class.

Use of the trademark is not required for maintenance. However, under the Act a third party can apply to the Registrar to have a trademark or certain classes of goods and services removed for non-use. The grounds for an application for removal for non-use are set out in question 9.

The onus is on the opponent (registered trademark owner) to rebut any allegation of non-use. To defeat an application the opponent is required to establish that the trademark or the trademark with additions or alterations not substantially affecting its identity was used in good faith by the registered owner. Where the trademark has been assigned but no record of this has been entered on the register, the opponent is required to establish use by the assignee which is in accordance with the terms of the assignment. The registrar or court must be of the opinion that it is reasonable, having regard to the circumstances, to treat the assignee's use of the trademark as being use by the registered owner.

For non-use over a three-year period the opponent can also establish that the trademark was not used during the period because of circumstances creating an obstacle to the use of the mark. These circumstances can have either affected only the trademark owner or traders generally.

If the opponent fails to rebut the non-use allegation, the registrar may remove the trademark, classes or specified goods and services applied for from the Register or the court may order the Registrar to do so. However, neither the registrar nor the court is obliged to do so, even if the applicant has established non-use grounds.

If the opponent establishes, during the course of non-use proceedings, that the trademark was used in good faith during a particular period or was not used because of legitimate circumstances, it may apply to the court or to the registrar for a certificate attesting to this.

11 The benefits of registration

What are the benefits of registration?

A registered owner of a trademark has the exclusive right to use the trademark and to authorise others to use the trademark in relation to the goods and services in respect of which the trademark is registered.

Registration gives the trademark owner the right to obtain relief under the Act, which is more straightforward than pursuing the common law remedy of passing-off or seeking relief under the ACL. Owners of registered trademarks do not need to establish reputation in the trademark to obtain relief, as would be required for passing-off, for instance.

Owners of registered trademarks may give notices to Customs in respect of the registered trademark to avail of Customs' seizure powers for infringing goods imported into Australia.

In Victoria, there is a specialised Intellectual Property List for its Supreme Court for proceedings relating to registered trademarks.

12 Assignment

What can be assigned?

Registered trademarks can be assigned with or without goodwill.

For unregistered trademarks to be validly assigned, the question of whether they need to be assigned with or without goodwill is not clear-cut. At common law, a trademark is assignable only with the goodwill of the business in which the trademark is used.

Under the Act, an assignment can be partial in that it may apply to only some of the goods and services under the trademark. However, the assignment may not be partial in relation to the use of a trademark in a particular area.

No other assets need to be assigned with a registered trademark or trademark application to make it a valid transaction.

A defensive trademark should be assigned with the registered trademark on which it is based. If the defensive trademark is not assigned with its registered trademark, this could lead to the cancellation of the defensive trademark.

A collective trademark cannot be assigned.

A certification trademark can only be assigned with the consent of the Australian Competition and Consumer Commission.

13 Assignment documentation

What documents are required for assignment and what form must they take?

A document that establishes the title of the assignee to a trademark must be filed with the TMO. Generally a deed of assignment or confirmatory deed of assignment is filed. The document should show the full name and address of both parties and, at a minimum, be signed by the assignor. Notarisation is not required. Copies of documents are sufficient for the TMO.

Either the assignor or assignee must apply to the TMO to record the assignment.

14 Validity of assignment

Must the assignment be recorded for purposes of its validity?

Under the Act, either the assignor or assignee must apply to the TMO for a record of the assignment to be entered on the Register. There is no time limit for requesting the recordal of an assignment.

While not recording an assignment does not affect its validity, the registration of the assignee as the owner of the trademark is not taken to have had effect until the application to record the assignment is filed in the TMO. Not recording the assignment of the trademark could lead to the removal of the trademark on the grounds of non-use of the trademark by the registered owner. In addition, the assignee cannot sue for trademark infringement until he is registered as the owner on the Register.

15 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised and may be recorded on the Register by the person claiming the interest and the registered owner of the trademark.

An application must be made in writing by both the registered owner and the security interest claimant and filed with the TMO to record the interest.

Parties are not obliged to register security interests on the Register under the Act.

A security interest does not need to be recorded for the purposes of its validity or enforceability. However, recordal ensures that the registrar is required to notify a security interest claimant of any critical actions taken in relation to the trademark, such as assignment of the trademark, removal for non-use applications, cancellation applications, or any attempts to cancel the recorded security interest.

16 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The word 'registered' or the '®' symbol can be used to denote a registered trademark. It is a breach of the Act to use a symbol, such as '®' symbol, on unregistered trademarks in Australia. The '™' symbol can be used for trademark applications or unregistered trademarks over which a party wishes to assert its rights.

There is no requirement under the Act to use symbols to indicate trademark use or registration but the use of such symbols puts third parties on notice of the rights asserted by the trademark owner in the trademark.

There is a risk with using these symbols on products that are being exported from Australia. If the registered trademark owner does not have a registered trademark in the country to which such goods are exported, then it may infringe local legislation in respect of use of the '®' symbol.

17 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

A trademark owner generally enforces its rights against an alleged infringer through civil proceedings. An action for infringement of a registered trademark may be brought in a prescribed court, which includes the Federal Court of Australia and the Supreme Court of a state or territory of Australia.

Trademark owners can also lodge notices with Australian Customs, as a border enforcement mechanism, to enable Customs to seize goods imported into Australia that infringe a registered trademark. Customs infringement actions can be taken under the Act in respect of registered trademarks. For unregistered trademarks, passing-off actions and actions for breach of the ACL are available, which are also brought via civil proceedings.

There are a number of criminal offences set out in the Act, including:

- falsifying or unlawfully removing a trademark that was applied to goods provided in the course of trade, knowing or being reckless of whether or not the trademark is registered;
- falsely applying a registered trademark to goods provided in trade;
- making a die or machine knowing that it is likely to be used for, or in the course of, committing an offence against certain sections of the Act;
- drawing or programming a computer to draw a registered trademark, knowing that it will be used in the course of committing an offence; and
- selling, exposing for sale or importing goods knowing that, or reckless of whether or not a falsified trademark is applied to them or has unlawfully been removed from them or a registered trademark is falsely applied to them.

There are also aiding and abetting offences in the Act.

18 Procedural format and timing

What is the format of the infringement proceeding?

Infringement actions for registered trademarks may be brought in a prescribed court, which includes the Federal Court of Australia and the Supreme Court of a state or territory.

Trademark infringement proceedings are commenced by the filing of a statement of claim. The respondent must then file its defence and any cross claim. Once the proceedings are on foot, they are set down for directions hearings before the court. Alternatively, the parties can agree to a timetable of steps in the proceedings before the hearing and the court can approve the timetable agreed by the parties.

Once the parties have finalised their pleadings then the parties may seek discovery of documents. The parties then file their affidavits setting out the evidence of witnesses. Once all evidence has been filed the hearing takes place. The length of a hearing for trademark infringement proceedings varies depending on the number of witnesses and the complexity of the matter, and can vary from a couple of days to a few weeks.

Infringement actions can be heard by a single judge of the Federal Court, or by the full Federal Court, or by the full High Court. Juries are not used in infringement proceedings.

Evidence can be given by live testimony. Experts or persons engaged in the relevant trade may give evidence. Survey evidence may be used but can be problematic.

The Commonwealth director of public prosecutions enforces criminal offences under the Act such as those set out in question 17. Criminal proceedings are usually heard in local courts by magistrates. The decision of the magistrate can be appealed to the Federal Court.

19 Burden of proof

What is the burden of proof to establish infringement or dilution?

For civil cases, the burden of proof is the balance of probabilities.

20 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

A trademark owner can seek a remedy for an alleged trademark violation. An authorised user may also bring an action for trademark infringement, subject to any agreement with the trademark owner.

If there are joint owners of a trademark, each of them should be joined as applicants in the infringement proceedings.

Prosecution of criminal proceedings is normally carried out by the director of public prosecutions. The Crimes Act 1914 (Cth) states that unless the contrary intention appears in an Act or regulation creating offences, any person may institute proceedings for commitment for trial for any indictable offence or institute proceedings for summary conviction where relevant. As the Act contains no contrary intention in respect of offences in respect of trademarks, technically any person has standing to bring a criminal complaint.

Update and trends

'Raising the Bar'
The Intellectual Property Laws Amendment (Raising the Bar) Bill (Bill) was recently introduced into the Australian Senate. If passed, this Bill will amend the Act and the Regulations to meet the following objectives:
- refining opposition proceedings so that disputes are settled quicker and more cost effectively;
- increasing trademark infringement penalties;
- improving the system for confiscating counterfeit goods; and
- reducing the procedural hurdles and streamlining processes to ensure that the Australian trademarks system continues to be accessible and cost effective for users in the future.

The Bill also proposes the inclusion of a presumption of registrability ensuring that in situations where the registrar is unsure whether or not a trademark application is capable of distinguishing the goods or services under the trademark from those of other traders, the registrar's decision will favour the trademark applicant.

Proposed amendments to trademark opposition procedures in the Bill and the proposed Regulations include:
- the reduction in the period of time to oppose the registration of a trademark from three months to two months;
- the notice of opposition will no longer have to be served on the trademark applicant, merely filed with the TMO;
- material facts must be filed by the opponent within one month of filing the notice of opposition — failure to do so will result in the dismissal of the opposition by the TMO;
- the trademark applicant will have to file a notice of its intention to defend against the opposition – failure to do so will result in the trademark application lapsing;
- the registrar may suspend an opposition period for six months (maximum 12 months) with the consent of all parties to an opposition; and
- allowing appeals from the decision of the registrar to the Federal Magistrates Court.

Proposed amendments to trademark enforcement procedures in the Bill include:
- Customs allowing an objector access to inspect and remove samples of goods seized by Customs. The designated owner of these seized goods may claim for return of the goods and if a claim is made, Customs must inform the objector; and
- an increase in the penalties for existing trademark offences, lesser offences will also be introduced to match the gravity of the offenders conduct and the court will be granted discretion to award additional damages to victims of trademark infringement.

The Bill has yet to be presented in the House of Representatives and the Regulations have not been released. If passed, it is expected that the Bill will commence in early 2012. However, further amendments may be made to the Bill before it is ultimately passed.

21 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

Yes. Owners of registered trademarks and, in some instances, authorised users of such trademarks, can provide Customs with a notice in writing objecting to the importation of goods infringing the trademark. Customs must seize such goods unless satisfied that there is no reasonable ground for believing that the notified trademark has been infringed. Unless the trademark owner or authorised user brings an infringement action in respect of such goods, within the time period specified in the Act, they will be released to their designated owner.

22 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The Federal Court will not order general discovery as a matter of course. The Court will have regard to the issues in the case and the appropriate order in which they are likely to be resolved, the resources and circumstances of the parties, the likely cost of the discovery and its likely benefit. This is to reduce the burden of discovery and eliminate 'fishing' expeditions.

The Federal Court Rules provide for preliminary discovery and production on notice, in addition to usual subpoena rules.

The widest order for discovery is an *Anton Piller* order. *Anton Piller* orders allow the plaintiff's lawyers to enter the defendant's premises to search for and remove any infringing goods or documents. To be granted an *Anton Piller* order, it is necessary for the applicant to establish an extremely strong prima facie case of infringement, potential or actual damage and that there is a likelihood that documents or the infringing products would be destroyed.

It is possible to obtain an application for discovery from a non-party or a third party. An order may also be obtained from a court for a third party outside the country to provide documents at the request of a party to the proceedings.

23 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

In civil matters, like all litigation, there is no 'typical' time frame. The considerations include the complexity of the matter, number of parties to the proceedings and the level of cooperation from the respondents. Trademark infringement proceedings commenced in the Federal Court will generally reach the hearing stage within one to two years. The hearing of an appeal from a single judge in the Federal Court to the Full Court of the Federal Court will usually take one year.

The parties are encouraged to try to settle the matter. As part of the process for commencing proceedings, the applicant must file a statement setting out all of the efforts that have been made to settle the dispute between the parties before commencing proceedings. The respondent can comment on this document.

24 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The typical range of costs associated with an infringement or revocation action varies greatly depending on many variables, including factors such as whether interlocutory relief is sought, the number of witnesses and the length of the hearing. As a general guide, the costs involved in obtaining instructions and trial preparation including briefing counsel and preparing pleadings will usually be in the range of A$50,000 to A$200,000. The costs for a hearing will, depending on the length of the hearing, usually be around A$50,000 to A$100,000. Therefore, the range of costs for trademark infringement actions can vary between A$100,000 and A$300,000.

The costs for an appeal will be around A$50,000 or more.

Where a party is successful and awarded costs then costs are subject to court assessment. As a guide, the costs that can be recovered by the successful party are around 70 per cent of the actual costs incurred by that party.

25 Appeals

What avenues of appeal are available?

An appeal lies to the Federal Court against the judgment or order of another prescribed court exercising jurisdiction under the Act or any other court for infringement actions.

Appeals to the Full Court of the Federal Court of an order or judgment of a single judge of the Federal Court only occur with the leave of the Federal Court. Similarly, with the special leave of the High Court, appeals lie to the High Court (the highest court in Australia) under the Act.

26 Defences

What defences are available to a charge of infringement or dilution, or any related action?

If a person threatens to bring an action against another for infringement of a registered trademark, the threatened person may bring an action alleging that the other person has no grounds for making the threat.

There are a number of other defences such as any of the following:

- the defendant used in good faith, his name or the name of his place of business or that of his predecessor;
- the defendant used a sign in good faith to indicate the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic of the goods or services or the time of production of goods or of the rendering of services;
- the defendant used the trademark in good faith to indicate the intended purposes of the goods (in particular as accessories or spare parts);
- the defendant used the trademark for comparative advertising;
- the defendant exercised a right to use the trademark given to him under the Act;
- due to a condition or limitation of the trademark, the defendant's use did not amount to infringement;
- the court is of the opinion that the defendant would obtain registration of the trademark if he were to apply for it;
- the trademark has been applied to, or in relation to, goods by, or with the consent of the trademark owner; or
- the defendant can show that he or his predecessor in title has continually used the trademark in relation to those goods or services from a time before the registration of the trademark or when the registered owner first used the trademark.

Other general equitable principles such as estoppel, delay, acquiescence and consent can be used in defence against trademark infringement.

27 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

A court can grant an injunction (which may be granted subject to any condition that the court sees fit) and, at the option of the plaintiff, either damages or an account of profits for infringement of a registered trademark. Interlocutory injunctions are available as well as permanent injunctions.

The general conditions that relate to interlocutory injunctions apply:

- Is there a serious question to be tried?
- Are damages an adequate remedy?
- Does the balance of convenience favour the grant of an injunction?

The plaintiff is usually asked to give an undertaking as to damages as a condition of granting the interlocutory injunction.

Where a matter is of extreme urgency, an ex parte injunction may be granted, such as, if there is a good chance that goods bearing a trademark may be destroyed.

The penalties for the criminal offences under some sections of the Act are as follows:

- a fine not exceeding 500 penalty units. A penalty unit is currently valued at A$110; or
- imprisonment for a period not exceeding two years; or
- by both a fine and a term of imprisonment.

There are lesser penalties for some offences varying from 10 to 60 penalty units.

28 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The court may refer a matter to mediation with or without the consent of the parties. However, a matter may only be referred to arbitration with the consent of the parties. Courts almost invariably order mediation. In the case of arbitration, the parties present arguments and the arbitrator makes a determination. Benefits of ADR include speed, confidentiality and potential cost savings. However, the main risk is that the matter is not able to be resolved through mediation or that a party appeals the decision of the arbitrator and the parties incur greater costs by pursuing litigation proceedings.

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29 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What protection is provided?

A famous foreign trademark that is not used or registered in Australia may be protected in Australia under the common law tort of passing-off or under the ACL if misleading or deceptive conduct can be proven. Proof of an established reputation in the mark domestically will be necessary even though there may not be any local trade in the relevant product.

Under the Act a sufficient prior reputation in Australia is required in order to establish a ground of opposition. In deciding whether a trademark is well known in Australia, the extent to which the trademark is known within the relevant sector of the public, whether as a result of the promotion of the trademark or for any other reason, will be taken into account.

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