

---

# Trade mark infringement

Trademark infringement is where a party is using another's trademark without authorisation. Trademark infringement matters often begin with you either receiving or sending a trademark infringement "cease and desist" letter.

If you have received such a letter, or you are aware of a competitor illegally using your trademark the information below is a guide to assist you in understanding the basics of what is trademark infringement, and the process and costs involved.



## Legal definition of trademark infringement.

Under the Trade Marks Act 1995 (Cth), trademark infringement occurs when a person uses (as a trademark) a "sign" that is substantially identical with, or deceptively similar to, a registered trademark:

- in relation to the goods or services for which the mark is registered; or
- in relation to goods or services that are similar to those for which the mark is registered; or
- in relation to unrelated goods or services where the trademark is so "well known" in Australia that its use in relation to unrelated goods or services would likely indicate a false connection with the owner of the "well known" mark.

In brief, this means that trademark infringement is when someone uses 1) a trademark that is either identical or similar to another person's registered trademark and 2) on goods or services identical or similar to the listed goods or services on the trademark registration.

## Some examples of trademark infringement








To determine whether there is trademark infringement, we thus need to consider two main things: 1) Are the trademarks identical or similar? 2) Is the alleged infringing trademark (or "sign") used on good or services that are the same or similar to those listed in the the trademark registration?

### **Similarity of trademarks**

When considering similarity the trademarks should not be compared side by side but “one must bear in mind the points of resemblance and points of dissimilarity, attaching fair weight to and importance to all, but remembering that the ultimate solution is to be arrived at, not by adding up and comparing the results of such matters, but by judging the general effect of the respective wholes”. Section 5 of the Trade Marks Manual of Procedure and Practice goes on to state that “The test now is the impression left by the marks. The comparison is a general recollection or impression, bearing in mind that the impression is to be taken in the context of the average person in the street”.

Thus, the comparison is not one of a side-by-side test, but more of the general impression. Assessing when the general impression is similar for two trademarks is best shown with the below examples (taken from the IP Australia Examiner’s Manual).

<b>Marks being compared</b>	<b>Decision</b>	<b>Reasons/Quote</b>
Eau De Cologne’s Application (1990)17 IPR 540 MY MELODY DREAMS <b>VS</b> MY MELODY	<b>Deceptively Similar</b>	Reasons for this decision include that the impression created is that ‘goods bearing the trademarks are different products in the same product range from the one trade source’ at 542.
Re Application by Coles Myer Ltd (1993) 26 IPR 577 BRATS <b>VS</b> BONZA BRATS	<b>Deceptively Similar</b>	Reasons for this decision include that the word BONZA is a widely known colloquialism which acts solely as a qualifier of the word BRATS in the trademark BONZA BRATS at 579.
Jockey International, Inc v Darren Wilkinson [2010] ATMO 22 JOCKEY <b>VS</b> THROTTLE JOCKEY	<b>Sufficiently Different</b>	Reasons for this decision include that ‘THROTTLE JOCKEY gave rise to an entirely different connotation, construction and interpretation than the word JOCKEY’ at 39.
Chris Kingsley v David Scott [2011] ATMO 20 REBELLION <b>VS</b> SOUL REBELLION	<b>Sufficiently Different</b>	Reasons for this decision include that ‘SOUL REBELLION has an ordinary dictionary meaning which is unlikely to be confused or associated with the word REBELLION by itself’ at 15.

<p>Empire brands Pty Ltd [2010] ATMO 129 KATHMANDU QUICK DRY &amp;</p>  <p>VS</p> 	<p><b>Deceptively Similar</b></p>	<p>Reasons for this decision include:</p> <p>Despite the presence of the word KATHMANDU in the cited trademarks and the presence of devices in the applicant’s trademarks, these differences do not outweigh the similarity between them. This similarity comes from a shared identity (reflected in look, sound and commonality of idea) deriving from the words QUICK DRY... the fact that the public would likely identify the applicant’s trademarks by reference to the same very prominent words which it would also use to identify the cited trademarks means that they are certainly deceptively similar. For the purposes of section 44, this finding exists quite separately from the indisputable observation that the words common to all four trademarks have rather more than a ‘tinge’ of descriptiveness about them at 21.</p>
<p>Mount Everest Mineral Water Limited [2012] ATMO 65</p>  <p>VS</p> 	<p><b>Sufficiently Different</b></p>	<p>Reasons for this decision include:</p> <p>In my consideration, confusion between the Trade Mark and those cited against it might only arise if it is likely, on the balance of probabilities, that consumers of the goods will view the words HIMALAYAN...MINERAL WATER or HIMALAYAN SPRING MINERAL WATER as acting as a badge of trade origin as opposed to geographical origin of the spring water at 28.</p>
<p>REA Group Ltd v Real Estate 1 Ltd [2013] FCA 559</p>  <p>VS</p> 	<p><b>Sufficiently Different</b></p>	<p>Reasons for this decision include:</p> <p>The realestate.com.au logo has arguably three components... No component on its own is an essential feature...the placement of the device in the middle of the [realEstate1] logo is a strongly distinguishing feature. That placement has the effect of sidelining “.com.au” and projecting “realEstate1” as the dominant element at 232.</p>
<p> VS Realestate1.com.au</p>	<p><b>Deceptively Similar</b></p>	<p>[This is] a situation where the highly descriptive nature of the second-level domain (“realestate”) makes a suffix such as “.com.au” essential to brand or name recognition...A real danger of confusion again arises because in the scanning process which may occur on a results page, some consumers will miss the indistinctive “l” at 245.</p>

### ***Similarity of goods or services***

If the trademarks are similar, the next question is whether the alleged infringing trademark was used on goods or services the same or similar to those listed in the trademark registration. Note here that the relevant goods or services are those listed in the trademark registration (as found on the government Registry or trademark certificate) and not the actual goods or services used in the marketplace.

The test for whether or not goods are similar comes from evaluating the following criteria:

- the nature and characteristics of the goods;
- the origin of the goods;
- the purpose of the goods;
- whether the goods are usually produced by one and the same manufacturer;
- whether the goods are distributed by the same wholesale houses;
- whether the goods are sold in the same shops, over the same counter, during the same season and to the same class or classes of customer;
- whether those engaged in the manufacture and distribution of the goods are regarded as belonging to the same trade.

As a general statement, if the two goods/services in questions are similar in nature and often provided by the same businesses, then they will be considered similar.

### **What is use of a trademark?**

There are many ways in which use of something is use of it as a trademark. Use 'as a trademark' is use of the trademark 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.

The use of a trademark to indicate a connection in the course of trade has been referred to as the 'branding function' of the trademark. The appropriate question to ask is whether the trademark, words or sign would appear to consumers as possessing the character of the brand.

However, not all use of a particular sign will constitute use 'as a trademark'. Use that is solely descriptive or laudatory is unlikely to be use of a sign as a 'badge of origin' and the sign is unlikely to perform a 'branding function'. Such use is therefore not use of a sign 'as a trademark'.

### Domain name trademark infringement

Use of a URL or domain name will in most cases be considered use 'as a trademark'. Thus, a domain name itself is normally an infringement of a trademark, for example, this could result in a URL with GoDaddy being a trademark infringement.

### Instagram trademark infringement

In a similar manner, an Instagram name can be considered a trademark such that use of it by others may be considered trademark infringement. This can be pursued through normal legal channels, and also by appealing directly to Instagram and completing the "Instagram trademark infringement form". However, assistance from Instagram will be more likely if you have a registered trademark and use an attorney to assist you.

### Famous trademark infringement examples

Forever 21 trademark infringement: In 2019, popstar Ariana Grande filed a suit against US fashion retailer Forever 21 alleging trademark infringement, and sought US \$10 million following its unauthorised use of her trademarks, likeness and copyright for the purpose of creating a false perception that she endorsed its products. Read more here, and here.

## What are the defences to trademark infringement?

Once trademark infringement is found, the next question to ask is whether there are any available defences open to excuse the use.

### **Section 124**

There are several defences listed in the Trade Marks Act. Section 124 provides the defence of "first use" whereby if a party has continuously used a trademark (or name) prior to the registration date of another party's trademark then they can continue to do so without being considered infringers. However, there is an important qualifier to this defence, and that is that if the registered trademark owner's first use is actually prior to the defendant's first use, then the defendant cannot make use of this section.

Section 124(2) also provides a specific geographic prior use defence whereby the alleged infringer may be able to rely on a defence of first user in a limited geographic region (eg northern Sydney only). A main consideration here will be which party has first use of the trademark that area.

### **Section 122(f) and (fa)**

The remaining defence of relevance would be under section 122(f) and (fa) of the Trade Marks Act. It provides a defence to infringement where the defendant would have achieved trademark registration had it applied for it (in the face of the registered trademark being relied upon). That is, in the hypothetical scenario that the alleged infringer had applied for its own trademark

registration at the time of the alleged infringement, would the alleged infringer be successful in getting its trademark registered?

Under this defence, the alleged infringer will often rely on honest concurrent use. In brief, the law states that if a trader has adopted a mark honestly, and used it for a sufficient amount of time concurrently with the prior trademark, then it should be able to co-exist with the prior mark in spite of their similarities.

### ***Attack the validity of the trademark registration***

Another “defence” that must be considered is the validity of the trademark registration. If, when examined, it turns out that the trademark registration is not legally valid, then it is removed from the Registry and no infringement has occurred.

This can only be done in a court proceeding. It is common for a defendant to launch a counter-claim arguing that a trademark is invalid and it should not have been accepted by IP Australia. There are several grounds on which a defendant could potentially use, depending on the facts of the case.

### **What about passing off and common law trademark infringement?**

There is also another, separate, area of law that a brand owner may be able to rely on, namely, passing off and Australian Consumer Law. An action for trademark infringement has many elements similar to an action for passing off and for a breach of Australian Consumer Law and so often these causes of action will be alleged at the same time as trademark infringement.

Passing off actions, in the context of ‘trademark’ passing off, involve an unregistered trademark, also known as a common law trademark. These cases arise in much narrower circumstance. In cases involving common law trademarks it is necessary to prove that there exists an established reputation in the infringed mark, that another party is using that mark in such a way as to misrepresent that the goods/services are associated with the mark, and finally, that their misrepresentation is causing damage.

Under sections 18 and 29 Schedule 2 (Australian Consumer Law) of the Competition and Consumer Act 2010 (Cth), a trader is prohibited from engaging in conduct which would be deemed as misleading or deceptive or likely to mislead or deceive. This includes prohibiting a trader from engaging in conduct which falsely represents that goods or service have the sponsorship, affiliation or approval with another, which it in fact does not have. The common law tort of passing off has similar operation to the above (but if anything is more onerous for the plaintiff).

There is a large body of case law devoted to the interpretation and application of the above principles, however, the essential elements you would need to show are that:

- You have a reputation such that your customers would be aware of your brand, or it is likely they would be aware of your brand; and
- there was a misrepresentation by the other party resulting in a mistaken belief by consumers of an affiliation between your brand and the other party.

In these cases, establishing a reputation is normally the most crucial and difficult element. Reputation in this instance is not referring to the repute or ethical nature of your brand, but rather how well known it is. And to prove this, it not enough to say “we are well known and have excellent brand awareness”. You will need to supply substantial evidence, such as sales volumes (confidentially), advertising exposure and in more contentious cases, survey evidence.

The take home advice in both passing off and Australian Consumer Law cases in the context of trademark breaches is that they require a large reputation and are fairly difficult to prove.

## What about contributory trademark infringement?

Contributory trademark infringement may occur in situation where it can show that the trademark infringer was induced by another to infringe the trademark, including where the other party contributed to the infringement by selling the goods after learning of the infringement. This specific legal doctrine does not exist in Australia but would instead be addressed by joining that other party to the court proceedings. If the other party is the owner, then the doctrine of estoppel may apply and/or a reduction in the calculation of damages.

## Who enforces trademarks?

It is not the responsibility of IP Australia or the government to enforce your trademark rights. You, or your appointed trademark agent, should actively monitor whether or not another party is using your mark without your consent, and if so, you should take immediate action.

## Damages

If trademark infringement is proven, the plaintiff will seek (and almost certainly receive) an injunction stopping the infringer continuing to use the trademark.

The plaintiff can seek either damages or alternatively an account of profits. The differences between an account of profits or damages is in the calculation. There are also exemplary damages, which can function sometimes in a similar manner as “punitive” damages.

## How to avoid trademark infringement?

The best way to avoid trademark infringement is to understand the basics of trademarks law and be proactive to avoid obvious infringements. A trademark search of the Trade Marks Registry via ATMOSS may be a good start. However, hiring a trademark attorney, even for a brief review of your matter, can save you time and give you piece of mind.

### Take home points:

- Trademark infringement is when someone uses 1) a trademark that is either identical or similar to another person's registered trademark and 2) on goods or services identical or similar to the listed goods or services on the trademark registration
- Trademark infringement can take various forms, such as trademark infringement of Instagram names, YouTube posts that involve trademark infringement or Amazon trademark infringement.
- Seek the advice of a trademark attorney for better outcomes in your case.