

All that's Gold Does not Glitter

How the Rich Cultural and Ethnic Diversity of Australia Could Impact Your Choice of Trade Mark

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A Federal Court decision, handed down this week, is a sage reminder of the danger of assuming that foreign language words are distinctive marks for the purpose of registration on the Australian Register of Trade Marks.

In a case of competing coffee brands, the Full Federal Court ordered that long-standing trade mark registrations for ORO (meaning "gold" in Italian) and CINQUE STELLE (meaning "five stars" in Italian), each registered for coffee products, be cancelled for lack of distinctiveness. The rationale for this decision was that the marks were common Italian words descriptive of quality, and given the diverse cultural heritage of Australia, they were known in the coffee trade to be descriptive of the quality of coffee products.

This was the case even though the trade mark owner had been using those words on its packaging for a significant period of time at the time they were cancelled.

Cantarella Bros Pty Ltd (Cantarella), a seller of coffee products, owned the registered trade marks ORO and CINQUE STELLE, which were registered in respect of coffee and related products. Modena Trading Pty Ltd (Modena), a competitor of Cantarella, sold coffee products in Australia with packaging bearing the words "Oro" and "Cinque Stelle". Cantarella then sued Modena for infringement of its registered marks.

Modena in turn sought cancellation of Cantarella's trade marks because it said the marks were not distinctive of Cantarella's products, and sought removal of those marks because Cantarella had not used them as trade marks, but rather to describe its goods.

At first, the Federal Court found that the meanings of "Oro" and "Cinque Stelle" were not so obvious to "ordinary English-speaking persons in Australia" that they were not able to distinguish Cantarella's products from those of other people. In other words, those marks were inherently distinctive of Cantarella's goods and should not be cancelled. The Court also found that both parties had used the marks as trade marks, resulting in Modena being found to have infringed the marks, and Modena's claim for removal of the marks, because Cantarella had not used them, failing.

Modena appealed these findings. On Monday 30 September, the Full Federal Court upheld Modena's appeal, and cancelled Cantarella's registrations.

Distinctiveness of Non-English Words

In Australia, to register a trade mark, it must be capable of distinguishing your goods or services from those of other persons. This generally means that you cannot register a trade mark that consists of words that describe your goods or services - unless you can show that you have used the mark to such an extent that it has become distinctive of your goods or services.

In the first decision, the Federal Court found that only "a very small minority of English-speaking people in Australia" would understand the allusions made by "Oro" and "Cinque Stelle". The Federal Court said this meant that the marks were sufficiently distinctive.

On appeal, the Full Court said that, where the marks were common Italian words descriptive of quality, the test was not whether ordinary English-speaking people in Australia would recognise the mark. The Full Federal Court remarked that "there is no necessity to approach the enquiry from an Anglocentric perspective in the Australian context which has rich cultural and ethnic diversities within its

population". Instead, the distinctiveness of the marks should be assessed against the collective diverse heritage of Australia.

The question should be whether other traders, including people who are, or would become, traders in the relevant goods and services in Australia, would want to use the relevant words.

Relevant considerations for deciding whether other traders would want to use a word included:

- what consumers in the relevant market knew of those words (and in that regard, it was not necessary for consumers to know what the words meant in English for the purpose of ascertaining whether other traders might want to use the words)
- whether other traders had actually used the words.

In this particular case, the Full Federal Court said the question was whether other traders in Italian coffee products would want to use the words "Oro" and "Cinque Stelle" in connection with their goods. The Full Federal Court found that those Italian words were known in the coffee trade to be descriptive of the quality of coffee products and so they were not capable of distinguishing Cantarella's goods. The decision was based on the wording of section 41 the *Trade Marks Act 1995* before it was replaced by entirely new wording in April 2013. However, the principles discussed in this alert are equally applicable to the new wording of that section.

Removal for Non-use

A trade mark can be removed from the Register of Trade Marks if it is not used as a trade mark for a continuous three year period (with some qualifications not relevant to this discussion).

Modena claimed Cantarella had not used its marks as trade marks.

In light of the appeal findings above regarding the inability of "Oro" and "Cinque Stelle" to distinguish Cantarella's goods, the Full Federal Court said that Cantarella's extensive use of "Oro" and "Cinque Stelle" was not use as a trade mark. Consequently the marks would have been vulnerable to removal for non-use.

The Full Federal Court ordered cancellation of the registration of Cantarella's marks because of their lack of distinctiveness.

How Can This Impact Trade Mark Choice?

Whilst there can be an appearance of distinctiveness by using non-English words as trade marks, if they are descriptive of your goods or services, albeit in another language, then they may not be registrable.

This may be the case even where you are able to demonstrate that you have made significant use of that mark.

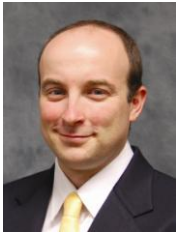
In choosing a trade mark that comprises a non-English word, it is prudent to consider how the use of that word is viewed by:

- traders in Australia in the relevant goods or services
- Australian consumers generally.

The Full Federal Court also noted that the same principles may apply in relation to English words that are not commonly understood by most Australians as descriptive of anything in particular, but which mean something to traders in the relevant products.

Case: *Modena Trading Pty Ltd v Cantarella Bros Pty Ltd* [2013] FCAFC 110 (30 September 2013)

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Tim has extensive experience in intellectual property protection, management and enforcement and has a particular focus on patents and trade marks.

Tim is experienced in the handling and resolution of trade mark and patent disputes, having regularly acted in Australian litigation concerning patent infringement and validity, trade mark infringement and removal, passing off, and misleading and deceptive conduct in the course of trade (in contravention of the Australian Consumer Law).

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Jane has over 20 years experience in all aspects of intellectual property (IP) including portfolio establishment, IP strategisation, commercialisation and enforcement. She has specific experience in the pharmaceutical and health care industries and with universities.

Jane's major focus is resolving IP disputes and her experience ranges across complex patent infringement/revocation, trade mark and passing off, design infringement, disputes on ownership of IP and appeals from decisions of the Commissioner of Patents and the Registrar of Trade Marks. Jane's litigation experience allows her to advise clients in IP driven commercial transactions to minimise the risk of later disputes.