

# Trade Marks: Choosing and Using Distinctive Brands

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The Federal Court decision of *Yarra Valley Dairy Pty Ltd v Lemnos Foods Pty Ltd* [2010] FCA 1367 is a timely reminder of how important it is to choose and use trade marks that are distinctive.

Trade mark applicants are relying more on submitting extensive evidence of use to get their trade marks registered rather than focusing on creating distinctive and original trade marks to market their goods and services.

As a brand owner, it is very important to be aware that just because you use a trade mark in connection with your goods or services, it does not necessarily mean that such use will distinguish your goods and services from those of other traders.

## Facts

In 1995, a Victorian farm-based cheese maker, Yarra Valley Dairy sold its first marinated cheese product under the brand 'Persian Fetta' in a distinctive paint tin. Five years later, on 21 March 2000, it applied to register the words 'Persian Fetta' as a trade mark for 'dairy products including cheese'.

Yarra Valley Dairy gathered and submitted a substantial amount of evidence to the trade mark examiner to establish its use of the 'Persian Fetta' brand in Australia. It also submitted evidence to establish its reputation in the brand.

The mark was subsequently registered.

Yarra Valley Dairy licensed the use of the 'Persian Fetta' brand to National Foods in 2002. National Foods produced a product known as 'South Cape Persian Fetta' that was sold in various supermarkets including Coles from 2003.

In 2009, Coles decided to replace the South Cape Persian Fetta product with 'Lemnos Persian Marinated Cheese' produced by Lemnos Foods. Yarra Valley sought relief against Lemnos Foods for:

- contraventions of the former *Trade Practices Act 1974* (Cth), now referred to as the *Consumer and Competition Act* (Cth);
- passing off; and
- trade mark infringement because Lemnos was using the brand 'Persian Fetta' and 'Persian Marinated Cheese' in connection with its cheese products.

## Court's Findings

Justice Middleton found that in relation to the contraventions of the former *Trade Practices Act* and passing off it was unlikely that:

- consumers would be misled by the packaging of the Lemnos Persian Marinated Cheese goods; and
- that consumers would associate the Lemnos cheese goods with Yarra Valley cheese products.

In response to the trade mark infringement claim, Lemnos argued in its cross claim that Yarra Valley Dairy's trade mark for 'Persian Fetta' should be cancelled on the basis that it was not capable of distinguishing Yarra Valley Dairy's cheese. Lemnos submitted that the name 'Persian Fetta' would help consumers identify what region the fetta was from.

To be successful, Lemnos had to establish that Yarra Valley Dairy's 'Persian Fetta' trade mark was descriptive and was not capable of distinguishing Yarra Valley Dairy's goods from the goods of other traders.

Justice Middleton considered the following evidence:

- 'there is a style or quality of fetta which originates from or is associated with the geographical location then known as Persia';
- other cheese makers wishing to trade in Australia may want to use the word 'Persia' or 'Persian' on or in connection with fetta, either to signify the style of cheese or to indicate that their cheese comes from the region formerly known as Persia and these traders 'would have a legitimate interest in using both the geographical and style name to identify their goods'; and
- 'there is a likelihood of other traders legitimately wishing to use in Australia the phrase 'Persian Fetta' in relation to cheese products in appropriate circumstance'.

His Honour held that 'it is the Yarra Valley Dairy name and logo on Yarra Valley's Persian Fetta product that does the work of identifying the commercial source or trade origin of Yarra Valley's product and not the words 'Persian Fetta'".

Lemnos was successful in its counter claim for removal of the Persian Fetta word mark and therefore it was not necessary for the court to consider Yarra Valley Dairy's claim for trade mark infringement.

### **Important Points to Note When Choosing a Brand**

For trade mark applicants it is very important:

- not to equate use of a trade mark with distinctiveness;
- to choose an original and distinctive brand name to maximise your business;
- to choose a trade mark that does not by itself, denote the kind, quality, intended purpose or value of the goods or services and that does not contain common surnames or geographical names. Such trade marks should only be filed if they contain other distinctive features such as a logo and other distinctive words;
- to conduct searches on various public registers such as the Trade Marks Register, ASIC and internet search engines to determine whether your brand name is available for trade mark registration.

This report does not comprise legal advice and neither Gadens Lawyers nor the authors accept any responsibility for it.

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