

AUSTRALIA



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1. Title:	McDonalds Keeps McBaby
Topic:	Successful opposition to a trade mark application
Where:	Australia
When:	28 May 2004
What Happened:	<p>McDonalds Corporation successfully opposed the registration of trade mark application No. 959586 "McBABY" in classes 28, 29 and 30 in the name of David Bellamy (<i>McBaby</i>).</p> <p>At the hearing before the delegate of the Registrar of Trade Marks in Sydney, it was argued on behalf of Mr. Bellamy that the use of the prefix "Mc" or "Mac" was widespread. Specifically, it was pointed out that there are several registered marks prefixed by "Mc" or "Mac" on the Trade Marks Register for the same or similar goods, many of which predate the use of "Mc" or "Mac" by the opponent.</p> <p>The following was argued on behalf of McDonalds Corporation, relying on section 60 of the <i>Trade Marks Act 1995 (Act)</i>:</p> <ul style="list-style-type: none">• It owns a significant number of trade marks variants containing "Mc" or "Mac", which is the first syllable of the word and trade mark "McDonalds".• Several common law trade marks have also been used in respect of the opponent's goods and services, such as "Big Mac", "McFeast", "MacAmore", "Son of Mac", "McCafe", "McMatch & Win".• It promotes its restaurants and products towards children and includes in its premises playgrounds for children. Further, there are several characters used by McDonalds specifically to promote its children's meals.• The prefixes "Mc" and "Mac" are often used by the public, including the media in a manner that can be termed the McDonaldisation of the English language, such as "<i>McDispute</i>" or "<i>The making of the McBosses</i>".• It is the owner of trade mark No. 675154 "MCBABY LOGO" in class 25, which was registered on 13 October 1995. <p>McDonalds argued, pursuant to section 60 of the Act, that Mr. Bellamy's trade mark was similar to a "family" of trade marks containing the prefix "Mc" or "Mac" in which it had a substantial reputation in Australia. Therefore, registration of Mr. Bellamy's McBaby mark is likely to deceive or cause confusion.</p> <p>As McDonalds' main thrust and evidence went to section 60 of the Act, Mr. Bellamy was unable to rely on the current state of the Register (and it would</p>

	<p>involve a complex analysis that could result in procedural unfairness as there are 2181 marks to consider), which may not in the end be relevant to the central issue raised. It should also be noted that Mr. Bellamy did not file any evidence in answer showing his use or intended use of the McBaby mark, nor was the state of the Register served and filed as evidence.</p> <p>The delegate of the Registrar of Trade Marks upheld the opposition, finding that the registered and common law prefix trade marks owned by McDonald's were ubiquitous, and widely and immediately recognised by members of the public, as is its practice of coining additional marks incorporating the "Mc" prefix.</p>
Comments:	A common element used in a "family" of trade marks can preclude third party use where that common element has become thoroughly associated with the trade mark owner's goods or services.

2. Title	Real Fruit or Just Flavored
Topic:	Misleading and Deceptive Labelling
Where:	Australia
When:	May 2004 onwards
What Happened:	<p>Cadbury Schweppes has been wrapped over the knuckles by a Federal Court judge for failing to get its labelling right - the court ruled that if your label says a product contains something, then it ought to be in there.</p> <p>The Australian Competition and Consumer Commission (ACCC) instituted legal proceedings against Cadbury Schweppes alleging false, misleading and deceptive conduct in its labelling of its banana mango and apple kiwi cordial. The cordial products did not contain extracts of the real fruit that were depicted on the labels.</p> <p>Cadbury Schweppes claimed that the phrase "flavoured cordial" was sufficient to overcome any effect the depiction of real fruit might have. This was rejected. The court found such a depiction would convey the impression that real fruit was present. Accordingly Justice Gray found that the ACCC has established that Cadbury Schweppes had engaged in conduct that was likely to mislead or deceive and had made false representations in contravention of the Trade Practices Act 1974 in respect of each product.</p>
Comments:	As Cadbury had already discontinued the production of the banana and mango cordial and had repackaged the apple kiwi cordial so that it was no longer misleading, it was not necessary for the court to order an injunction against Cadbury.

3. Title	An Ugg-ly Battle Over An Aussie Icon
Topic:	Trade marks, genericism
Where:	Australia
When:	May 2004 onwards
What Happened:	<p>Ask almost any Australian what the term 'ugg boot' means and you will soon discover that it is considered a generic term for a boot made of sheepskin, an Aussie footwear institution which has recently become a Hollywood fashion accessory.</p> <p>However, much to the disdain of Australian footwear manufacturers and retailers, an American company is seeking to stop them from using the terms</p>

	<p>“ugg” “ug” or “ugh” to identify their fair-dinkum furry footwear. The US shoe company Deckers Outdoor Corporation purchased the Australian registered trade mark UGG from an Australian man, Brian Smith, in 1995 (Mr. Smith registered the mark in 1971). Deckers has recently sent letters to around twenty Australian sheepskin footwear businesses demanding that they stop using ‘ugg’, ‘ug’ or ‘ugh’ to describe their sheepskin footwear products, or face legal action; claiming that such usage infringes Deckers’ registered trade mark rights.</p> <p>Deckers also demanded that the publisher of the Macquarie dictionary (an Australian dictionary) amend its definition of ‘ugg boot’ from: “a generic term for a fleecy-lined boot with an untanned upper” to now include: “Also ug boot, ugg boot trademark”. An Australian company, Mortels Sheepskin Factory’s sheepskin boot products have also been ejected from the online e-bay auction website at Deckers’ insistence and can no longer use the word ‘ugg’ in its domain name, due to a complaint made by Deckers to ICANN.</p> <p>A group of Australian sheepskin boot manufacturers and retailers has set up a website and commenced an email campaign against Deckers (see www.saveouraussieicon.com). These companies argue that the term “ugg” was in use in World War 1, that The Blue Mountain Ugg Boots Company began trading in 1933 and that Mortels Sheepskin Factory (who was selling boots under the ‘ugh’ name), started trading in 1958, all long before Deckers (or rather, its predecessor in title Mr. Smith) registered the name as a trade mark.</p> <p>Also, they claim that the term is generic and so should be available for use by all manufacturers of sheepskin boots to describe their products.</p> <p>Even seven of Australia’s members of Federal parliament wore ugg boots to work on 6 May 2004 to demonstrate solidarity with the besieged Aussie sheepskin boot traders.</p>
Comments:	Deckers’ actions have sparked a recent flurry of trade mark registrations being lodged in Australia for ‘ugg’ and other similar marks, so it will be interesting to see how this issue is resolved, probably ultimately by the Federal Court.

4. Title:	Nike Sex-Charged Ad
Topic:	Advertisements require sensitivity to local current affairs
Where:	Australia
When:	August 2004
What Happened:	<p>Nike recently launched an international advertisement depicting a group of teenage tennis players lusting after their young male coach, with each turning into tennis star Serena Williams in order to impress him.</p> <p>This ad was launched during the Athens Olympic Games coverage which also was just weeks after former tennis coach and Victorian teacher Gavin Hopper was jailed for sexually assaulting a former student.</p> <p>A number of child protection groups criticised the advertisement and one in particular commented that an interpretation of the advertisement was that the idea of sex between an adult and a young person is OK.</p> <p>The Advertising Standards Bureau is an Australian body that often deals with</p>

	<p>such complaints and provides a free public complaint service about advertising in the mainstream media, which people find offensive on the basis of:</p> <ul style="list-style-type: none"> • Discrimination (race, nationality, sex, age, sexual preference, religion, disability, political belief); • Violence; • Language; • Portrayal of sex, sexuality or nudity; • Health and safety; • Alarm or distress to children. <p>The Board aims to apply current community standards to the advertisements it reviews, using Section Two of the Advertiser Code of Ethics as its guide.</p> <p>However, the advertisement was pulled from Australian screens within hours of criticism being published in major Australian newspapers and a written apology was made to anyone offended by the advertisement, thus a complaint did not reach the Advertising Standards Bureau.</p>
Comments:	<p>While many advertisers often take advantage of recent news and events to cleverly promote their goods and services, it is important that advertisers remain abreast and steer clear of negative and damaging events within the international community.</p> <p>As in Nike's case, failure to recognise local sensitivities caused significant community criticism with local interest groups declaring that Nike needed to reflect a greater sensitivity to respectful relationships between adults and children.</p>

5. Title	Copyright Infringer Gaoled
Topic:	Criminal Offences under the Copyright Act 1968
Where:	Australia
When:	2 June 2004
What Happened:	<p>The Brisbane Magistrates Court recently found a Brisbane man, Sydney Priscott, guilty of 28 charges relating to importing, possessing and exposing for sale pirate DVDs. Mr. Priscott was sentenced to 9 months in gaol, given a fine of AUD\$1,500.00 and placed on a 5 year good behaviour bond.</p> <p>The decision to impose a custodial sentence came about after Mr. Priscott had been charged on three separate occasions in less than six months for copyright offences.</p> <p>Section 132 of the <i>Copyright Act 1968 (Act)</i> makes it a criminal offence for a person to commercially deal with, distribute or possess articles which contain copyright works if the person knew, actually or constructively, that the articles in question contained an infringing copy of the copyright works. Maximum penalties for a conviction on each offence range up to AUD\$93,500.00 and/or five years imprisonment.</p> <p>Mr. Priscott's activities had been investigated by the Brisbane branch of the Australian Customs Office (<i>Customs</i>) since 23 September 2003 when Customs seized audio speaker stands containing approximately 800 pirate DVDs which were sent from Malaysia to a suburban Brisbane address. Enquiries by</p>

	<p>Customs and the Australian Federal Police (<i>AFP</i>) confirmed that the Brisbane address was a fake address.</p> <p>Subsequently, on 6 October 2003, the AFP executed a search warrant at another suburban address in Brisbane where they uncovered further pirate DVDs. At the time, Mr. Priscott was arrested and charged with various offences under Section 132 of the Act.</p> <p>Despite being granted bail, Mr. Priscott continued to sell pirate DVDs at a stall in a local market. Consequently, on 6 March 2004, the AFP executed another search warrant at the stall and further pirate DVDs were seized. Mr. Priscott was again arrested on 9 March 2004.</p> <p>In commenting on the custodial sentence, the Federal Minister for Justice and Customs, Senator Chris Ellison, stated that Mr. Priscott's imprisonment gave a clear message that "attempts to flout Australia's copyright laws will be detected and punished".</p>
Comments:	<p>Since the late 1980's the Australian judiciary has threatened to send convicted copyright pirates to gaol but until now, no conviction has resulted in a custodial sentence actually being served. For example, in November 2003 three university students from Sydney were given suspended sentences, good behaviour bonds and community service orders by the Sydney Local Court for their roles in creating and operating an MP3 website which allowed users to download music without permission from the copyright owner. Whilst the film and record industries in Australia have been agitating for harsher criminal penalties, including the imposition of full-time custodial sentences, it is yet to be seen whether further custodial sentences of this nature will be handed down by the courts in the future.</p>

6. Title	Commercial Television Industry Code of Practice
Topic:	Amendments to Code
Where:	Australia
When:	1 July 2004 onwards
What Happened:	<p>All commercial television broadcasters in Australia are subject to the Commercial Television Industry Code of Practice (<i>Code</i>). The Code was reviewed and amended in 2004 and some of those amendments directly affect advertising on commercial television.</p> <p>Advertising to Children</p> <p>Television advertisers are now expected to comply with the new Australian Association of National Advertisers Code of Advertising to Children (<i>AANA Children's Code</i>). The AANA Children's Code introduces a number of new requirements for advertising to children, who are defined to be persons 14 years of age and younger.</p> <p>Advertisers are required to ensure, amongst other things, that advertisements are:</p> <ul style="list-style-type: none"> • not ambiguous, misleading or represent products in an unsafe or dangerous manner; • do not undermine parental authority; • accurately represent any product pricing in a way that can be understood by children; • not promoting alcoholic drinks in any way or drawing any association with companies that supply alcoholic drinks;

	<ul style="list-style-type: none"> • not encouraging inactive lifestyle combined with unhealthy eating or drinking habits. <p>Volume of Advertisements Broadcasters are now required to ensure television commercials are not excessively noisy and that the commercials are not louder than the adjacent programming.</p> <p>Disclosure of Commercial Arrangements Where a broadcaster, independent producer or a presenter agrees with a third party to endorse or feature a third party's products or services in a current affairs, documentary or infotainment program, the existence of that commercial arrangement must be disclosed. The code indicates that disclosure of commercial arrangements during the program or in credits should be adequate.</p> <p>Advertising in Sport Programs The Code now clarifies direct alcohol advertising requirements in relation to live simulcasting of sporting events across multiple time zones and licence territories, so that direct alcohol advertising is only permitted during the broadcast of a live sporting event if:</p> <ul style="list-style-type: none"> • the event is broadcast simultaneously across a number of licence territories and direct alcohol advertisements are permitted where the event is held; or • the event is held outside Australia, and direct alcohol advertising is permitted in a majority of the metropolitan licence territories in which the event is simulcast.
Comments:	<p>Advertisers and broadcasters need to be aware of the Code and the recent amendments in respect of the Code's advertising restrictions in relation to specific products (e.g. alcohol) and specific audiences (e.g. children).</p> <p>Failure to adhere to the Code could ultimately (although unlikely) lead to a commercial broadcasters' suspension or loss of licence.</p>