Lawyers McCullough Robertson

Intellectual Property

11 November 2008

Diana Ferrari fails to reach top gear in trade mark dispute

Popular women's shoe brand Diana Ferrari (Australia) Pty Ltd (**Diana Ferrari**) has lost a three year bid to prevent luxury sports car brand Ferrari SpA (**Ferrari**) registering the words Ferrari Shop and its well known Ferrari logo as trade marks in Australia for retailing services and a new range of watches, clocks, jewellery and accessories.

The facts

On 17 December 2004, Ferrari filed a trade mark application for the words Ferrari Shop for retail services for the sale of watches, books, phones, computer games and clothing. Ferrari also filed a trade mark application on 13 January 2005 for the Ferrari logo in relation to goods including watches, clocks, jewellery and accessories. The trade mark applications were accepted for registration by IP Australia.

On 10 May 2005, Diana Ferrari filed notices of opposition against the registration of Ferrari's trade marks. On 17 June 2008, after failed attempts to negotiate a settlement, Ferrari requested that the matter be heard before a delegate of the Registrar of Trade Marks.

Diana Ferrari argued that the distinctive element 'Ferrari' within both the Ferrari Shop words and Ferrari logo would lead to a high likelihood of confusion by the public. Diana Ferrari produced evidence of its prominent position in the Australian market and highlighted the Diana Ferrari brand as being 'the most widely recognised women's shoe brand in Australia' and 'favoured by more Australian women than any other shoe brand'.

Decision

In relation to the Ferrari Shop words, it was found that although there was a sufficient degree of similarity between Ferrari's retail services and Diana Ferrari's goods and the common element of the surname Ferrari was present in both trade marks, the overall impression of the trade marks would not lead to a finding of deceptive similarity given that an average customer would not be confused as to the origin of the goods. In relation to the Ferrari logo, the delegate considered the 'long F' within the logo to be a highly memorable feature, and was not satisfied that any real tangible chance of deception or confusion existed between the use of the logo and Diana Ferrari's goods.

In finding Diana Ferrari's oppositions unsuccessful, the delegate found that there is little likelihood of the general public being deceived or confused by Ferrari's use of the Ferrari Shop words and Ferrari logo in the presence of Diana Ferrari's goods, given the established reputation of both brands in the market and the familiarity of each brand to consumers.

Implications

When comparing similar trade marks, it is important to consider the overall impression of the trade marks and the likelihood of consumer deception and confusion in conjunction with the goods and services claimed. Simply because two trade marks contain similar elements may not necessarily prevent those trade marks from co-existing on the Register. It is also important to ensure that comprehensive searches of the Register are undertaken prior to lodging a trade mark application, and that advice is sought on the prospects of registration and potential conflicts in light of similar existing trade marks that may exist on the Register.

McCullough Robertson offers a full service trade marks practice.

For further assistance or enquiries please contact:

Malcolm McBratney on 07 3233 8878

David Downie on 07 3233 8842

Amanda McBratney on 07 3233 8877

James Cameron on 07 3233 8819

Katrina Chambers on 07 3233 8940

Emma Weedon on 07 3233 8911.

Contract tip - agreements to agree

Be wary of any clauses in a contract which are no more than an agreement to agree. For example, a clause stating 'If services are to be provided outside these terms then this will be at rates to be agreed', is an agreement to agree. Generally, an agreement to agree will be unenforceable. Ideally, the matter being agreed would be set out in the agreement or would be at your discretion. An alternative is to refer the decision to a third party if no agreement is reached in a set timeframe.

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Meet the Intellectual Property Group

Each edition we profile a member of the Intellectual Property Group. This week meet David Downie, a Partner in our group. More information on his experience and expertise is outlined below.

David Downie

Partner

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David is a Partner in the Intellectual Property Group and joined McCullough Robertson in 2005 after 10 years experience working for a leading national firm in both Brisbane and Sydney.

David has substantial expertise in the field of intellectual property, information technology and commercial contracts.

David's experience includes:

- advising Queensland Health in relation to information technology and telecommunications procurement under GITCv5 as well as intellectual property licensing and commercialisation agreements
- advising Diatech, the commercialisation company of the Queensland University of Technology, on various intellectual property and commercialisation agreements
- advising the Commonwealth Bank of Australia in relation to its information technology and telecommunications outsourcing relationships with EDS Australia and Telecom New Zealand Australia, which at the time was the largest financial services outsourcing in the world
- advising Golden Circle in relation to manufacturing agreements and associated intellectual property issues
- advising the Bank of Queensland in relation to an EFTPOS outsourcing agreement
- advising Vodafone on aspects of its engagement of a supplier to build a 3G telecommunications network
- advising Lend Lease in relation to licensing and information technology procurement contracts
- generally drafting, negotiating and interpreting intellectual property assignments, licenses, commercialisation agreements, material transfer agreements, distribution agreements, confidentiality agreements, technology agreements including large services agreements and other commercial contracts.

Qualifications and Memberships

Bachelor of Laws (Hons) - University of Queensland

Bachelor of Science (Hons) (Computer Science) - University of Queensland

Solicitor - Supreme Court of Queensland, Supreme Court of New South Wales

New privacy laws proposed by Australian Law Reform Commission

The Australian Law Reform Commission (**ALRC**) has finally released its 2,700 page review of the *Privacy Act 1988* (Cth) (**Privacy Act**) together with its 295 recommendations for reform of the privacy legislation in Australia.

The key recommendations from the report are as follows:

- The National Privacy Principles (**NPPs**) (governing the personal information handling practices of private sector organisations) and the Information Privacy Principles (**IPPs**) (governing Commonwealth Government agencies) are to be replaced with Unified Privacy Principles (**UPPs**) which are to apply across the board. State and Territory Governments will not be bound by the UPPs, but the ALRC recommends that each State and Territory government enact legislation that will adopt the UPPs and other key aspects of any new legislation.
- The small business exemption which excused private sector businesses with an annual turnover of $3 million or less from compliance with the Privacy Act on the basis that the cost of compliance was too high is to be abolished.
- The employee records exemption, available to private sector organisations, is to be abolished. Currently, businesses are not required to comply with the Privacy Act in respect of acts done or practices engaged in, in respect of employee records. This is significant for all organisations, particularly when handling requests for access to personal information.

- The Privacy Commissioner will be empowered to seek a civil penalty where there are serious or repeated interference with the privacy of individuals. Current penalties available to the Commissioner are minimal and compensation awards are typically low in quantum.
- In a move that will ensure that organisations must monitor privacy compliance closely, a data breach rectification system is to be introduced which will require organisations to notify the Commissioner if a breach has occurred in certain circumstances.
- There is currently no procedure under the Privacy Act to determine what age is suitable for making decisions about privacy. In a recommendation that does not assist this position the ALRC has suggested that where it is practicable to make an assessment about capacity, such an assessment should be undertaken. Otherwise, the age of 15 is to be the age of capacity for the purposes of the Privacy Act.
- The onerous credit reporting provisions of the Privacy Act are to be repealed and credit reporting to be regulated under new credit reporting regulations and otherwise in accordance with the Privacy Act.
- If a national shared electronic health scheme goes forward, specific enabling legislation is to be enacted, rather than attempting to establish the scheme through the seemingly unworkable maze of the Privacy Act and relevant state based legislation.
- A statutory cause of action for serious invasion of privacy is to be enacted to cover situations where there is an interference with an individual's home or family life, the individual is subjected to unauthorised surveillance, an individual's correspondence or private communication has been interfered with or sensitive facts about an individual's private life are disclosed. The action will apply where the individual had reasonable expectations of privacy and the act or conduct complained of is highly offensive to a reasonable person.

The current Privacy Commissioner, Karen Curtis, has indicated that new legislation incorporating the above can be expected within the next 18 months but that the Government will more than likely address the issues in a staged process. Any new legislation will certainly add compliance costs to all businesses and government agencies, particularly in addressing the new UPPs. We will be sure to keep you updated as further developments arise.

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