

The Roles of the Trade Mark System

1.1 Introduction

Everyone who picks up this book will already know something about trade marks. At the very least we all know that trade marks are a type of sign widely used on goods and in advertisements. Most of us can also furnish a long list of examples of trade marks without too much difficulty. Such examples are likely to include famous symbols, such as the Nike ‘swoosh’ and Royal Dutch Shell’s red and orange scallop shell device, as well as household names such as Coca-Cola, Pepsi, Vegemite and Kleenex. Reflecting on what they know, most people would therefore conclude that trade marks can consist either of words or images, and would be unsurprised to learn that ‘composite marks’, that is, signs that consist of a mixture of words and images, can also constitute trade marks. Rather more surprising might be the revelation that trade mark law can now also extend to protect a range of other things, such as the physical appearance or ‘get-up’ of goods, three-dimensional shapes, smells and sounds. These extensions would probably seem to make sense, however, if it were explained that the intention is to provide protection for such things as the distinctive physical appearance of Duracell batteries, the shape of Coca-Cola’s ‘contour’ bottle and the sound of a lion roaring as used at the start of Metro-Goldwyn-Mayer’s films.

There is also a good deal of understanding of the basic function of the trade mark system, even though we generally do not articulate this understanding, even to ourselves. For example, whenever we buy, say, a pair of ‘Nike’ running shoes, we understand that these goods ultimately come from a particular trade source, that is, from a particular company that uses the word NIKE (and associated symbols such as the swoosh) so that as consumers we can identify its products. If asked to reflect on what any given trade mark means or what information that mark conveys, we might well volunteer particular associations that the mark has for us. Thus, to continue with our example, some of us may say that we associate NIKE with innovative, high-quality sportswear and perhaps too that we associate the brand with sporting prowess and associated values such as self-motivation, hard work and discipline. It is, however, important not to lose sight of the fact that it is the function of trade marks as an indication of trade source that remains central to our understanding of what it is that a trade mark designates. The words TIFFANY & CO and ‘24-carat’ both function as indications of quality in respect of jewellery, but we understand that they do so in very different ways; we understand that in the former case the ‘guarantee’ of quality results from the fact that the goods originate from a particular trade source that has a reputation for producing high-end goods. Similarly, when we are given cause to wonder whether goods are ‘real’ or ‘fake’ we are not asking whether the goods are of a particular standard; rather we are asking ourselves whether the goods originate with a

particular trader. Thus although trade marks may convey a range of messages and meanings, it is their function as an indication of trade source that remains central. This both reflects and is reflected in how the law understands the essential function of trade mark rights.

Where the understanding that we gain of trade marks as consumers runs out is in relation to how legal protection for trade marks is acquired and maintained. Indeed, it seems that even many people in business have little understanding of this topic. More specifically, it appears that many traders assume that registration of a business or company name provides them with both a positive right over the name in question and immunity from a claim for trade mark infringement, reflecting considerable confusion about the rules of both trade mark acquisition and infringement.¹ Protection for trade marks in Australia is in fact conferred by three principal legal mechanisms.

First, Australia (like most other countries) has a system of trade mark registration. Protection of this type is dependent on the would-be trade mark owner lodging an application with IP Australia, the Commonwealth agency responsible for registering not only trade marks, but also patents, designs and new plant varieties.² Although we will be considering the registration process in detail in later chapters, it might be noted at the outset that the application process is tightly regulated by legislative and administrative rules, and that applications are vetted to ensure that the mark does not conflict with some earlier registered mark and otherwise meets the various criteria laid down in the *Trade Marks Act 1995* (Cth)³ and the *Trade Marks Regulations 1995* (Cth).⁴ Second, trade marks can be protected by reference to the law of ‘passing off’. Passing off protects traders who have acquired ‘goodwill’, that is, a reputation among consumers; specifically, passing off provides a means of redress in cases where another trader seeks to trade off this reputation or goodwill. In its classic form, passing off allowed a plaintiff trader to prevent a later market entrant from selling its goods in a way that implied that they had been made or produced by the plaintiff. However, the courts have gradually extended the passing off action such that it now reaches well beyond this classic scenario to catch a range of other ‘unfair’ business practices. Over recent decades the expansion of the tort of passing off in Australia has been intertwined with the advent and judicial development of consumer protection legislation,⁵ which provides the third mechanism for protecting trade marks. The relevant statutory code covers a good deal of ground, but most importantly it prohibits traders from engaging in ‘misleading or deceptive

1 ACIP, *A Review of the Relationship between Trade Marks and Business Names, Company Names and Domain Names* (March 2006), pp 1, 27, 29–30.

2 IP Australia is a single government agency that incorporates the Patent Office, the Designs Office and the Plant Breeder’s Rights Office as well as the Trade Marks Office. To clarify, in general in this work we refer to the Trade Marks Office, but when referring to the functions and role of the IP bureaucracy more broadly we refer to ‘IP Australia’.

3 Hereinafter, the TMA.

4 Hereinafter, the TMR.

5 Originally, the *Trade Practices Act 1974* (Cth) (or TPA). The TPA was amended numerous times and as of 1 January 2011 it was renamed the *Competition and Consumer Act 2010* (or CCA) by virtue of the *Trade Practices Amendment (Australian Consumer Law) Act (No 2) 2010* (Cth). Importantly, moreover, the *Trade Practices Amendment (Australian Consumer Law) Act (No 1) 2010* (Cth) introduced a new Part XI and a new Schedule 2 to the CCA, the latter titled the ‘Australian Consumer Law’ (or ACL). As a consequence of this second set of amendments, the consumer protection and remedies provisions that have been used to fashion protection for unregistered marks have moved from the body of the Act to the ACL.

conduct'. It has been held consistently over many years that this prohibition will catch anyone who engages in classic passing off (that is, who misrepresents their goods as being those of the plaintiff) or who engages in the other forms of unfair trade conduct that have been held to constitute passing off. As will be seen, attempting to disentangle passing off from the statutory action is notoriously difficult and thus to treat the two actions as if they were entirely distinct would be misleading. For now it is enough to note that passing off and the statutory consumer protection regime retain a good deal of flexibility and can catch a much broader range of cases than would be actionable as claims for infringement of a registered trade mark.

1.2 Justifications for trade mark protection

Trade mark protection is not without its social costs. Trade marks impact upon what '[traders] may do, how they may speak, and how they may earn their living'.⁶ Such costs are, however, justifiable because trade marks help improve the efficiency of the market. They do this by virtue of their ability to act as an indication of trade source. The essence of a trade mark is that it operates as an indication of origin or, as it is often put, as a *badge of origin*. By this we mean that trade marks indicate that the goods or services bearing the mark come from a particular trade source. Under modern market conditions this means not so much that goods come from a particular factory or set of factories, but rather that they are produced under the overarching control of a single commercial entity. This latter point is worth emphasising because it is sometimes claimed that consumers no longer care about the origin of goods. To our mind, however, this is clearly not the case. Merely because goods are often produced and services are often provided under licence does not mean that trade marks fail to serve as an indication of ultimate trade source. Similarly, a mark can act as a badge of origin even though the company using the mark may remain entirely anonymous in the minds of consumers—consumers will be able to recognise that all goods or services marked in a particular way come from a single trade source even though they may know little or nothing about that source. Commentators who challenge the continued relevance of the source identification function would generally be the first to point out that consumers often want to buy branded goods; but this desire combines a wish to obtain goods that are not only marked in a particular way, but also carry the imprimatur of having come from a particular source.⁷

6 J Waldron, 'From Authors to Copiers: Individual Rights and Social Values in Intellectual Property' (1993) 68 Chi-Kent L Rev 841. See generally S Carter, 'The Trouble with Trademark' (1990) 99 Yale LJ 759.

7 This is most easily illustrated by reference to high-end fashion items and other Veblen goods. People who wish to 'buy into' these brands do so wanting products that carry the association of having come from a particular source, not goods that are just marked in a particular way or are of a particular design. This is confirmed by empirical research which suggests that even purchasing a high-quality fake will not allow consumers to feel that they have truly 'accessed' a brand. See generally H Sun et al, eds, *The Luxury Economy and Intellectual Property: Critical Reflections*, Oxford University Press, New York, 2015. The source identification function remains crucial even for cheaper consumables. For example, when a customer decides to spend an additional sum to acquire NUROFEN painkillers rather than a generic brand of Ibuprofen they are not deciding that they want to buy a product that happens to bear a word beginning with an 'N'. Rather, they are deciding that they want to purchase a product from the same company that provided them with an effective, easy-to-swallow painkiller last time because they know that products from that company can be relied upon to have these qualities.

The ability of trade marks to act as an indication of source is crucial because it allows customers to identify the goods or services they want. In particular, trade marks do this by allowing consumers to distinguish between products⁸ and to identify goods and services that they liked (or disliked) previously, thereby enabling them to steer their purchases towards products that they wish to acquire again (or avoid). By allowing consumers to identify products they have enjoyed in the past, trade marks provide traders with incentives to compete on grounds other than price, for example, by developing products with particularly desirable qualities. It is for this reason that it is often said that trade marks serve as a guarantee of quality. By this it is meant that customers can be reasonably confident that because all products bearing a particular mark are produced under the direction of the same ultimate trade source they are likely to share the same qualities. Of course, traders are always free to vary the quality of their products, but they do so risking that consumers may desert them as a consequence.⁹

That trade mark protection is to be justified primarily by reference to the origin function has important implications for the scope of trade mark rights. Historically, trade mark law had as its central focus the prevention of uses that would confuse consumers as to the origin of the goods or services in question.¹⁰ Thus the classic form of infringement is where a defendant labels goods in such a way that customers think they are buying goods made by the plaintiff. More recently, however, there has been an international trend towards conferring a more extensive set of rights on trade mark owners. Specifically, it has been accepted in a number of jurisdictions, including the European Union and the United States, that trade mark owners should also be protected against a group of harms collectively referred to as ‘dilution’. In countries that protect against dilution it is generally the case that marks with a reputation will be sheltered from both ‘blurring’ and ‘tarnishment’. These harms remain controversial, but broadly speaking they are aimed at preserving the attractive force of the mark. Protection against blurring works by preventing the dispersal of the identity of the mark as might occur if a well-known mark began to be used in relation to unrelated goods or services.¹¹ Protection against tarnishment attempts to prevent a mark from being linked with goods or services that are in some sense unwholesome or that might create unfortunate associations in the minds of consumers.¹² Protection against dilution has thus been said to preserve the ‘advertising function’ of trade marks. Still more recently, it has been held in Europe that dilution might also extend to protect against ‘free-riding’, that is, against uses of a mark that take advantage of

8 As a consequence, it is sometimes said that trade marks serve a ‘product differentiation function’. This is correct, but should be understood as being derivative of the origin function.

9 A nice discussion of these issues is to be found in the opinion of the Advocate General of the ECJ in Case C-10/89, *SA CNL-Sucal NV v Hag GF AG* [1990] ECR I-3711.

10 However, as we explain below, this has never been the *exclusive* focus of trade mark law in Australia.

11 For example, it has been said ‘if you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have the Rolls Royce mark any more’: F Schechter, statement at *Trade Marks: Hearings Before the House Committee on Patents*, 72d Cong, 1st Sess, 15 (1932).

12 For example, the European Trade Marks Office (OHIM) held that the owners of the trade mark CHIVAS REGAL for whisky were entitled to prevent the applicant from registering CHIVAS for pet food because of the risk of tarnishment: Case R165/2002-1, *Chivas Bros v A/S Arovit Pet Food* (26 March 2003).

the investment that trade mark owners make in developing their brands, even if the defendant's use is neither likely to confuse consumers nor harm the mark's reputation.¹³

It is trite to note that brands can be enormously valuable commercial assets and that firms invest vast sums in the development and maintenance of 'brand image'. That is, firms attempt to connect their marks in the minds of consumers with a corporate ethos or with certain feelings or aspirations. Equally it is clear that many brands do carry significant semiotic freight—they become social signifiers and cultural reference points as well as indicators of trade origin. However, this does not necessarily mean that trade mark owners should be given the sort of very broad rights that are emerging in Europe. Above all, we are not convinced that expenditure on advertising or investment in brand promotion should necessarily be rewarded with stronger rights.¹⁴ Our reasons for doubting the desirability of antidilution protection have been developed in detail elsewhere.¹⁵ For now we would note, for example, that it is not at all

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- 13 Case C-487/07, *L'Oréal SA v Bellure NV* [2009] ECR I-5185; *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 494; [2012] FSR 19; *Jack Wills Ltd v House of Fraser (Stores) Ltd* [2014] EWHC 110 (Ch); [2014] ETMR 28.
- 14 Cf. D Scott et al, 'Trade Marks as Property: A Philosophical Perspective' in L Bently et al, *Trade Marks and Brands: An Interdisciplinary Critique*, Cambridge University Press, Cambridge, 2008.
- 15 See R Burrell and M Handler, 'Dilution and Trademark Registration' (2008) 17 *Transnat'l L & Contemp Probs* 713 (doubting the 'progressive harm' justification for antidilution protection and arguing that such protection is difficult to reconcile with the logics of trade mark registration); D Gangjee and R Burrell, 'Because You're Worth It: *L'Oréal* and the Prohibition on Free Riding' (2010) 73 *MLR* 282 (arguing that there are significant problems with attempts to use concepts of free-riding to justify such protection); R Burrell and D Gangjee, 'Trade Marks and Freedom of Expression: A Call for Caution' (2010) 41 *IIC* 544 (challenging the 'imagination cost' argument for such protection). For other critical discussions of dilution see R Klieger, 'Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection' (1997) 58 *U Pitt L Rev* 789 (insisting that dilution protection poses an anticompetitive threat to market efficiency and consumer welfare); C Haight Farley, 'Why We Are Confused About the Trademark Dilution Law' (2006) 16 *Fordham Intell Prop Media & Ent LJ* 1175 (arguing that dilution law provides a remedy without a supportable theorisation of the harm); C Long, 'Dilution' (2006) 106 *Colum L Rev* 1029, 1037 (arguing that the harm of dilution is elusive because it is not clear whom the law is trying to protect); M LaFrance, 'No Reason to Live: Dilution Laws as Unconstitutional Restrictions on Commercial Speech' (2007) 58 *SC L Rev* 709 (concerned about the free speech implications of antidilution protection); R Bone, 'A Skeptical View of the Trademark Dilution Revision Act' (2007) 11 *Intell Prop L Bull* 197 (arguing that dilution lacks a coherent policy foundation); R Tushnet, 'Gone in 60 Milliseconds: Trademark Law and Cognitive Science' (2008) 86 *Tex L Rev* 507 (doubting the imagination cost argument); G Austin, 'Tolerating Confusion about Confusion: Trademark Policies and Fair Use' (2008) 50 *Ariz L Rev* 137 (pouring scorn on the imagination cost argument); A Kur et al, 'Sweet Smells and a Sour Taste—The ECJ's *L'Oréal* Decision' [2009] *Max Planck Institute for Intellectual Property, Competition & Tax Law Research Paper No 09–12*, <http://ssrn.com/abstract=1492032> (concerned about the free speech implications of the free-riding head); S Lux, 'Evaluating Trade Mark Dilution from the Perspective of the Consumer' (2011) 34 *UNSWLJ* 1053 (arguing that consumer-based justifications for antidilution protection lack internal consistency); S Rierson, 'The Myth and Reality of Dilution' (2012) 11 *Duke L & Tech Rev* 212 (arguing the costs of antidilution laws to free speech and competition outweigh any private benefits to mark owners); M Bartholomew, 'Trademark Morality' (2013) 55 *Wm & Mary L Rev* 85 (contending that the moral foundations of antidilution protection need to be clearly acknowledged); B Beebe, 'The Suppressed Misappropriation Origins of Trademark Antidilution Law: The Landgericht Elberfeld's *Odol* Opinion and Frank Schechter's "The Rational Basis of Trademark Protection"' in R Cooper Dreyfuss and J Ginsburg, eds, *Intellectual Property at the Edge: The Contested Contours of IP*, Cambridge University Press, Cambridge, 2014 (arguing that the theoretical underpinnings of antidilution protection were deliberately obscured from the outset).

clear that all of the value and meaning of a brand can be attributed to trade mark owners. Brands exist in the minds of consumers and it is not just brand owners but also public figures, the media and consumers themselves who construct brand meaning. As a consequence, it is far from obvious that trade mark owners are entitled to capture all of a brand's value or to try to freeze its meaning in time.¹⁶

None of the above should be taken to suggest that we are opposed to all attempts to protect 'brand value'—our target is the suggestion that Australia should introduce the type of protection against dilution found in Europe (and elsewhere). As we explain in the final section of this chapter, Australian trade mark law has always thrown a broader sphere of protection around trade marks than a mere right against confusion would warrant. However, this protection has evolved gradually, is subject to some important safeguards, does not rest on highly generalised (and deeply problematic) claims about trade mark owner entitlement, and, unlike antidilution protection, sits relatively comfortably with the functions of the trade mark register (discussed below). Indeed, a further reason why calls to layer antidilution protection onto the existing Australian trade mark regime need to be treated with caution is that this might result in Australia providing more extensive protection for trade marks than the US, for example. This is because in the US antidilution protection supplements a trade mark law that is otherwise aimed squarely at preventing consumer confusion.¹⁷ In contrast, in Australia the introduction of antidilution protection would, as things currently stand, form an additional layer of protection on top of a trade mark law that already has a swathe of rules that create a degree of exclusive market space for brands.

1.3 The role of trade mark registration

In the previous section we looked at justifications for providing trade marks with legal protection. It is important to recognise, however, that merely identifying reasons for providing legal protection for marks does not necessarily tell us why we should provide a facility for trade mark *registration*. Having such a system requires a substantial expenditure of resources. Most obviously, a registered trade mark system requires the existence of a bureaucracy to process applications for registration. Less obvious costs flow from having a special class of lawyers (trade marks attorneys) who are licensed to practise only in the registered trade mark field and even in having books (such as this one) that deal predominantly with the law of registered trade marks. The fact that registration systems are now largely self-funding (that is, the fees paid by trade mark applicants cover the salaries of those working within trade mark offices) should not blind us to the fact that the resources expended on having a registered trade mark system could be employed in other ways. It must also be remembered that there are perfectly

16 See further R Cooper Dreyfuss, 'Expressive Genericity: Trademarks as Language in the Pepsi Generation' (1990) 65 *Notre Dame L Rev* 397; J Litman, 'Breakfast with Batman: The Public Interest in the Advertising Age' (1999) 108 *Yale LJ* 1717; S Wilf, 'Who Authors Trademarks?' (1999) 17 *Cardozo Arts & Ent LJ* 1.

17 Although we acknowledge that some US commentators would insist that the problems of overextension in US trade mark law result more from the fact that the confusion standard has been lowered than from the advent of antidilution protection. See, in particular, M McKenna, 'Testing Modern Trademark Law's Theory of Harm' (2009) 95 *Iowa L Rev* 63.

good ways of protecting trade marks that do not require marks to be registered.¹⁸ Trade marks can be protected not merely by registration, but also by reference to the tort of passing off and consumer protection legislation; consequently Australia, like most other countries, already has a system for protecting unregistered marks.

The best explanation for why we provide a facility for trade mark registration is that the existence of a trade mark register provides the business community with a valuable source of information. Most importantly, a trade mark register helps reduce business ‘clearance costs’, that is, it helps traders to discover which signs are already owned by third parties, thereby assisting them in choosing marks that can be used safely.¹⁹ In order to perform this function effectively it is essential that the register provides as accurate a source of information as possible.²⁰ First, this means that one of our aims has to be to ensure that marks that enjoy legal protection are recorded on the register. Thus, we have to try to ensure that owners of marks that enjoy legal protection by virtue of passing off/consumer protection legislation take the trouble to register their marks so that later traders can identify them as quickly and as cheaply as possible. Registration confers a number of advantages on the registered proprietor and these advantages act as an incentive to register. For example, compared to relying on passing off or the consumer protection regime it is relatively easy to establish infringement of a registered mark. Registration also makes it easier to transfer ownership of marks and to enter into licensing arrangements.²¹ Second, we need to ensure that invalid marks do not sit on the register, so that later traders are not misled by the fact that the register records marks that would not survive a legal challenge.²²

All bureaucratic systems have the tendency to take on a life of their own, not only for those working within the system but also for professionals who regularly interact with the system and who become accustomed to dealing with its rules, procedures and idiosyncrasies. It is

18 In contrast, for example, in the case of patents there seems to be a broad consensus that patent protection inevitably requires the would-be owner of the invention to lodge an application with a government office (albeit we can disagree about when and how examination of this application by the office should occur). This means that there is much less of a logical gap between showing that patent protection is desirable and concluding that we therefore need a patent office.

19 The existence of a facility for registering trade marks may also offer a number of other economic/public benefits. For detailed discussion of the functions of trade mark registration see R Burrell, ‘Trade Mark Bureaucracies’ in G Dinwoodie and M Janis, eds, *Trademark Law and Theory: A Handbook of Contemporary Research*, Edward Elgar, Cheltenham, UK, 2008.

20 As we have already intimated, one of our problems with antidilution protection is that such protection tends to disrupt the ability of the trade marks register to disclose whether a mark is protected in respect of particular goods or services. This is because antidilution protection is at large and hence it is no longer possible to determine the scope of protection that a mark enjoys by reference to its specification, that is, by reference to the goods or services for which a mark is registered. For further explanation see Burrell and Handler, above n 15.

21 See also D Brennan, ‘The Trade Mark and the Firm’ [2006] IPQ 283 for an interesting analysis of the relationship between the ‘propertisation’ of trade marks and the justifications for providing a facility for trade mark registration.

22 See *Health World Ltd v Shin-Sun Australia Pty Ltd* [2010] HCA 13; (2010) 240 CLR 590, 597 [22] (French CJ, Gummow, Heydon and Bell JJ) (‘the legislative scheme reveals a concern with the condition of the Register of Trade Marks. It is a concern that it have “integrity” and that it be “pure”. It is a “public mischief” if the Register is not pure’ (footnotes omitted)).

important, however, that we do not lose sight of the reasons for having a registration system in the first place. For instance, we need to recognise that if, as suggested above, members of the business community are unaware of how trade marks are registered and of the advantages that registration confers, this is of concern. Traders may not only be failing to protect their interests adequately, but also their failure to register their marks makes the register less effective as a source of information. More generally, over the course of this work we will suggest that the need to ensure the accuracy and reliability of the information recorded on the register has not always been given the prominence it deserves. For example, one of the reasons why we need to be concerned about the inefficiency of current mechanisms for detecting marks that are not being used is that this means invalid marks will often sit on the register for long periods.²³ In addition, the relationship between registered and unregistered trade marks has not been given the attention it deserves, taking into account the importance of this relationship for the effective functioning of the register.²⁴

The final point that we would make about the registration system is that the existence of this system provides an opportunity for the state to steer traders towards using some types of mark rather than others. This is not to suggest that this regulatory goal provides a justification for the registration system per se, but it is an opportunity that inevitably presents itself as a by-product of a system that gives a government agency the power to decide whether to confer a set of advantages on an applicant for trade mark registration. Historically, the regulatory function of trade marks has been most clearly evident in rules prohibiting the registration of marks that are scandalous or that might mislead consumers as to the nature of the goods or services in question. However, this function can also be said to be reflected in the test for when a mark is ‘distinctive’, which focuses on whether a mark is likely to be needed by other traders, thus steering traders towards using marks that are likely to have less impact on their competitors. Over recent years a degree of discomfort seems to have developed with the idea that the trade mark system should play any sort of regulatory function. This has led to a lowering of some of the bars to registrability; for example, we will see that the Trade Marks Office now takes a more relaxed view of when a mark can be said to be scandalous than it has in the past.²⁵

1.4 Origins and sources

No discussion of the roles of the trade mark system would be complete without at least some engagement with the origins and sources of Australian trade mark law. Australia inherited its trade mark law from the United Kingdom. From the 1860s onwards the Imperial Government

23 See Chapter 10.

24 See Chapters 7 and 8 in particular. This is an issue that we have explored at length elsewhere: R Burrell and M Handler, ‘The Intersection between Registered and Unregistered Trade Marks’ (2007) 35 Fed LR 375; M Handler and R Burrell, ‘Reconciling Use-Based and Registration-Based Rights within the Trade Mark System: What the Problems with Section 58A of the *Trade Marks Act Tell Us*’ (2014) 42 Fed LR 91.

25 See Chapter 5.

sought to persuade the Australian colonies to introduce trade mark legislation.²⁶ Initially this meant persuading the colonies to pass legislation modelled on the *Merchandise Marks Act 1862* (UK).²⁷ This Act made it a criminal offence to misuse a trade mark with the intention to defraud. The colonies responded positively. Victoria passed equivalent legislation,²⁸ while, interestingly, the remainder went further and introduced a rudimentary system of trade mark registration.²⁹ In 1875 the UK adopted a much more comprehensive legislative regime for the protection of trade marks.³⁰ The *Trade Marks Registration Act 1875* (UK) established a recognisably modern form of trade mark registration. The British law of registered trade marks underwent further important refinements in 1883³¹ and from this point on the Imperial Government put pressure on the colonies to adopt modern trade mark registration systems, again with some success.³² By the time the first Commonwealth statute in this field came to be enacted it was almost inevitable that this Act would be based on UK antecedents and, indeed, the *Trade Marks Act 1905* (Cth) was modelled in very large part on the *Trade Marks Act 1905* (UK).

Federation was, however, accompanied by a change to the legal landscape that might have caused rapid divergence between UK and Australian law. The Australian Constitution contains a raft of provisions that might have pushed trade mark law down a very different path from its UK counterpart. This is true not only of the intellectual property clause that empowers the Commonwealth Parliament to enact laws relating to ‘copyrights, patents of inventions and designs, and trade marks’.³³ Of equal potential significance are the provisions of the

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- 26 J Finn, ‘Particularism versus Uniformity: Factors Shaping the Development of Australasian Intellectual Property Law in the Nineteenth Century’ (2000) 6 *AJLH* 113; A Scardamaglia, *Australian Colonial Trade Mark Law: Narratives in Lawmaking, People, Power & Place*, Australian Scholarly Publishing, Melbourne, 2015; L Bently, ‘The “Extraordinary Multiplicity” of Intellectual Property Laws in the British Colonies in the Nineteenth Century’ (2011) 12 *Theoretical Inquiries in Law* 161. As Bently notes, the Imperial Government would often need do no more than bring the existence of UK legislation to the attention of local legislators in order to secure a response during this period.
- 27 As to the origins of the *Merchandise Marks Act 1862* (UK) see L Bently, ‘The Making of Modern Trade Mark Law: The Construction of the Legal Concept of Trade Mark (1860–1880)’ in Bently et al, above n 14.
- 28 *Trade Marks Statute 1864* (Vic).
- 29 *An Act to prevent the Fraudulent Marking of Merchandise, to provide for the Registration of Trade Marks, and for other purposes 1863* (SA); *An Act to make provision relating to the fraudulent marking of Merchandise 1864* (Tas); *An Act to prevent the fraudulent marking of Merchandise and to provide for the registration of Trade Marks 1864* (Qld); *An Act to prevent the fraudulent marking of Merchandise and to provide for the registration of Trade Marks 1865* (NSW).
- 30 Much of the impetus for this reform came from developments abroad. France had a trade mark registration scheme as early as 1803. In 1857 France introduced a law which meant that protection for foreign traders and their marks was available in France only if the foreign country had entered into a diplomatic convention with France to provide reciprocal protection for French traders and their marks. See P Duguid, ‘French Connections: The International Propagation of Trademarks in the Nineteenth Century’ (2008) 10 *Enterprise and Society* 3. Britain entered into a number of bilateral treaties on trade mark law with France and other countries in the 1860s and 1870s and this, combined with domestic pressure for reform, led to the adoption of the 1875 Act.
- 31 *Patents, Designs and Trade Marks Act 1883* (UK).
- 32 See, for example, *Patents, Designs and Trade Marks Act 1884* (Qld); *Designs and Trade Marks Act 1884* (WA).
- 33 Constitution, s 51(xviii).

Constitution that prohibit the acquisition of property other than on just terms,³⁴ that create a strong separation between executive and judicial power,³⁵ and that embody an implied freedom of political communication.³⁶ Yet, despite the obvious potential relevance of these provisions, the course of trade mark law in Australia has been little affected by the Constitution. Specifically, although the High Court decided in the 1908 *Union Label* case that the term ‘trade mark’ did not include so-called ‘workers’ trade marks’ (that is, an indication that goods were produced by unionised labour),³⁷ this did not lead to a more general prohibition on the development of new forms of mark. It has rarely been seriously suggested that the Commonwealth Parliament exceeded its powers when legislating for defensive trade marks, certification trade marks, or new trade mark subject matter such as sounds and shapes.³⁸ The constitutional landscape has changed significantly since the *Union Label* case was decided. The reasoning in that case rested in no small part on the ‘reserved power’ doctrine (that is, that the grants of legislative power on the Commonwealth Parliament should be read narrowly so as to preserve states’ rights), a principle of constitutional interpretation that was to be swept aside little more than a decade later.³⁹ Over more recent decades the High Court has adopted an expansive reading of the intellectual property power⁴⁰ and has said expressly that there may ‘have been an increase in the denotation of the power since the [*Union Label*] case was decided’.⁴¹ Moreover, in the *Tasmanian Dam*⁴² era it is clear that the Commonwealth Parliament has very broad discretion under the external affairs power⁴³ to pass legislation to implement the provisions of international treaties to which Australia is a party. Given the breadth and detail of the international conventions in the field, this provides a significant additional source of Commonwealth legislative power. In a similar vein it might be noted that the generally strong separation between executive and judicial power has not prohibited decisions as to the registrability or removal of a trade mark being decided in the first instance by an executive agency (the Trade Marks Office) and then

34 Constitution, s 51(xxxi).

35 Constitution, s 71 and see, in particular, *Waterside Workers’ Federation of Australia v JW Alexander Ltd* (1918) 25 CLR 434.

36 Constitution, ss 7, 24, 64, 128 and see, in particular, *Lange v Australian Broadcasting Corporation* (1997) 189 CLR 520.

37 *Attorney-General (NSW) v Brewery Employees’ Union of NSW* (1908) 6 CLR 469. For discussion see S Ricketson, ‘The *Union Label* Case: An Early Australian IP Story’ in A Kenyon et al, eds, *Landmarks in Australian Intellectual Property Law*, Cambridge University Press, Melbourne, 2009.

38 But see K Handley, ‘The Commonwealth of Australia Trade Marks Act of 1955’ (1956–58) 2 Syd LR 509, 530–1, taking the view that there was a serious question about the constitutional validity of certification marks in 1955.

39 *Amalgamated Society of Engineers v Adelaide Steamship Co Ltd* (1920) 28 CLR 129 (commonly referred to as the ‘*Engineers’ Case*’). This point is nicely made by G Williams, ‘Are Service Marks Trade Marks? Commonwealth Power over Intellectual Property’ (1995) 6 AIPJ 133, 139.

40 *Grain Pool of Western Australia v Commonwealth* [2000] HCA 14; (2000) 202 CLR 479.

41 *Davis v Commonwealth* (1988) 166 CLR 79, 96. See, more generally, *Grain Pool*, *ibid*. Interestingly, however, the former case also indicates that there are some limits on Parliament’s power to grant exclusive rights over entirely descriptive terms by reference to the trade marks power, a point to which we briefly return in Chapter 14.5.

42 *Commonwealth v Tasmania* (1983) 158 CLR 1 (commonly referred to as the ‘*Tasmanian Dam Case*’).

43 Constitution, s 51(xxix).

by a court on appeal.⁴⁴ More recently, it has been held that the constitutional prohibition on the acquisition of property other than on just terms leaves Parliament with enormous latitude to determine the conditions under which trade marks can be used and trade mark rights exercised.⁴⁵

Consequently, despite the very different constitutional framework, the Australian law of registered trade marks remained closely based on UK law for many decades after Federation. Most notably, the *Trade Marks Act 1938* (UK) provided a template for the *Trade Marks Act 1955* (Cth), although it should be noted that there were some important differences between the two Acts (for example, the 1955 Act adopted a more generous view of the merits of comparative advertising than the 1938 Act). The final break between the two systems came in 1994–95 with the passage of the *Trade Marks Act 1994* (UK) and the *Trade Marks Act 1995* (Cth). Significantly, however, the new Australian Act remained much closer to its historical foundations than its UK equivalent, which was driven by the process of European harmonisation. As a consequence, whereas old UK precedents now have little, if any, relevance in the UK, many of the concepts underpinning the current Australian law are derived from earlier Anglo-Australian legislation and hence old UK cases continue to have some importance when interpreting the TMA.

Australia has also inherited much of its approach to the protection of unregistered marks from English law. The action for passing off has its origins in the action on the case for deceit at common law. From around the seventeenth century, common law courts in England provided a trader with a remedy where another trader adopted his or her trade name or symbol with the intention of inducing customers to believe that its goods were in fact those of the first trader. This was primarily on the basis that the second trader's actions were thought to constitute a fraud on the public. By the nineteenth century, these had become known as cases of 'passing off', the essential element of which was a fraudulent misrepresentation by the defendant that

44 *Farbenfabriken Bayer Aktiengesellschaft v Bayer Pharma Pty Ltd* (1959) 101 CLR 652 (considering the constitutional validity of trade mark opposition proceedings); *R v Quinn*; *ex parte Consolidated Foods Corporation* (1977) 138 CLR 1 (considering removal proceedings). For a defence of the latter decision see C Dent, 'Patent Opposition and the Constitution: Before or After?' (2006) 17 AIPJ 217. However, we are less confident than the author that this result flows from a principled analysis of the nature of the two decision-making processes. For critical discussion of the 'innominate powers' and 'chameleon' doctrines that underpin the decisions in *Quinn* and *Farbenfabriken Bayer*, see J Stelliou, *The Federal Judicature: Chapter III of the Constitution*, LexisNexis Butterworths, Sydney, 2010, pp 146–58 (in particular pp 154–7, dealing specifically with these decisions).

45 *JT International SA v Commonwealth* [2012] HCA 43; (2012) 250 CLR 1 (upholding the validity of the *Tobacco Plain Packaging Act 2011* (Cth), which prohibits the use of trade marks, other than brand names presented in a specified manner, on the retail packaging of tobacco products). This conclusion follows, in particular, from the fact that the constitutional prohibition applies only to the 'acquisition' of property, that is, to circumstances where the Commonwealth or some other party acquires an interest in the property. Such an interest need only be 'slight or insubstantial', but it must be 'proprietary in character'. Consequently, the mere deprivation or extinguishment of rights does not enliven the prohibition. See also *Australian Tape Manufacturers Association Ltd v Commonwealth* (1993) 176 CLR 480, 499–500 (Mason CJ, Brennan, Deane and Gaudron JJ). For further discussion of the constitutional basis of the *JT International* decision see S Ricketson, 'Plain Packaging Legislation for Tobacco Products and Trade Marks in the High Court of Australia' (2013) 3 QMJIP 224; D Fletcher, '*JT International SA v Commonwealth: Tobacco Plain Packaging*' (2013) 35 Syd LR 827.

its goods were those of the plaintiff.⁴⁶ For some time there was a confused relationship between common law actions for passing off and the willingness of the courts of Chancery to grant an injunction to protect the plaintiff's property right in a mark.⁴⁷ However, by the late nineteenth and early twentieth centuries, when the question of how trade marks were to be protected in Australia was becoming a matter of real importance,⁴⁸ the idea that there might be a property right in an unregistered mark per se had fallen out of favour. Instead, the view emerged that passing off protects business goodwill from being damaged by a defendant's misrepresentation. Although goodwill was itself a proprietary interest, it was understood as a property right that subsisted not in the mark itself, but rather in the business to which the goodwill attached.⁴⁹ Interestingly, Australian courts proved ready to apply the action for passing off in a creative manner from an early stage.⁵⁰ However, the passage of the *Trade Practices Act 1974* (Cth) was to provide the real spur for judicial creativity. Armed with this legislative tool, Australian courts expanded protection for unregistered trade marks and related interests in a number of important respects. These developments did not go unnoticed elsewhere and over time courts in other Commonwealth countries, including the UK, expanded the passing off action to cover the types of conduct that had motivated courts in Australia to apply the TPA in an expansive manner.⁵¹ Courts in other jurisdictions have also shown themselves to be ready to push out the boundaries of the passing off action in other ways and these developments have in turn fed back to Australia, influencing not only Australian passing off decisions, but also decisions under the consumer protection regime.⁵² Consequently, there remains a close nexus both between actions

46 See, for example, *Perry v Truefitt* (1842) 49 ER 749 (Ch).

47 See, for example, *Edelsten v Edelsten* (1863) 46 ER 72 (Ch) and *Leather Cloth Co v American Leather Cloth Co* (1865) 11 HLC 523 (HL). For the early history of the equitable jurisdiction see N Dawson, 'English Trade Mark Law in the Eighteenth Century: *Blanchard v Hill* Revisited—Another "Case of Monopolies"?' (2003) 24 JIHL 111.

48 The colonial laws referred to above were used fairly extensively, with more than 37,000 marks being registered on the colonial registers: A Scardamaglia, 'Opening Up the Australian Archives on Colonial Trade Mark Registrations' (2013) 23 AIPJ 222. By the 1880s criminal trade mark prosecutions were attracting public attention: see *The Argus* (11 May 1882), p 9, and by 1892 large UK companies such as Crosse & Blackwell were seriously engaged with the question of how best to exploit their brands in Australia: internal company documents held on file by authors.

49 See the historical exegeses provided by Lord Diplock in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731 (HL) and *Star Industrial Co Ltd v Yap Kwee Kor* [1976] FSR 256, 269 (PC). For more recent scholarly analysis of the role of goodwill in the development of trade mark law, see R Bone, 'Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law' (2006) 86 BU L Rev 547, and, in the context of Anglo-Australian law, I Tregoning, 'What's in a Name? Goodwill in Early Passing Off Cases' (2008) 34 Mon LR 75.

50 See, for example, *Turner v General Motors (Australia) Pty Ltd* (1929) 42 CLR 352 (Isaacs J seeming to suggest that reputation without trade might be sufficient to ground a passing off action); *Radio Corp Pty Ltd v Henderson* [1960] NSW 279 (Full Ct) (early use of passing off to protect celebrities against unauthorised personality merchandising).

51 Most notably, UK courts have been more willing over recent years to allow passing off to be used to control unauthorised character and personality merchandising.

52 For example, courts in the UK expanded the 'instruments of deception' doctrine in the law of passing off to catch persons who registered domain names similar to the trade marks or business names of companies with a significant reputation. Australian courts followed suit, applying the same logic in cases arising under the TPA. See *Architects (Australia) Pty Ltd (t/as Architects Australia) v Witty Consultants Pty Ltd* [2002] QSC 139; *CSR Ltd v Resource Capital Australia Pty Ltd* [2003] FCA 279; (2003) 128 FCR 408; *Kailash Center for Personal Development Inc v Yoga Magik Pty Ltd* [2003] FCA 536, [112].

for passing off and actions under consumer protection legislation, and between the system of protection for unregistered marks that operates in Australia and that which operates in other countries of the British Commonwealth.

Before going any further it is important to make some points about the scope of trade mark rights created by Australia's tripartite system of protection. In particular, we believe that it is important to recognise that the Australian registered trade mark system has never been tightly confined to providing rights against confusion. Although the prevention of confusion has always been understood as justifying trade mark rights, it must be remembered that the action for infringement of a registered trade mark never turned on showing that a misrepresentation had taken place or even that confusion was likely. It was enough that a protected sign had been used in relation to the specified goods—in such a case liability was strict. Admittedly, the proprietor's rights were initially interpreted in a restrictive manner⁵³ and hence confined to cases where confusion could readily be assumed, but it was always the case that the process of registration served to create something of a loose relationship between the action for infringement of a registered trade mark and confusion. Over time this relationship has become more complex as the infringement action has been extended to give the trade mark owner the right to prohibit the use of a 'deceptively similar mark' on goods or services 'of the same description' as those for which the mark is registered. When comparing the trade mark owner's mark and goods/services with those of the defendant courts will, to some degree, take the likelihood of confusion among consumers into account. However, the comparison will be somewhat artificial. Specifically, when comparing marks the owner's 'sign' will be the mark *as registered*. Thus if the trade mark owner has secured protection for a word mark, the plaintiff's 'sign' will be that word written in any script and reproduced in any colour; the fact that the sign actually used by the owner in the marketplace is this word in a pink cursive font will not serve to limit the scope of the owner's monopoly. The owner's sign will be compared with the sign that has been 'used' by the defendant, but this 'sign' will have to be isolated from a mass of other material. Consequently, extraneous matter such as differences in the colour, shape or get-up of goods or differences in the type of packaging or general labelling employed will be excluded from the analysis, even though in practice these things may serve to make it less likely that consumers will associate the defendant's products with those of the trade mark owner. Similarly, insofar as the 'proximity' of goods/services is a factor that may help to establish infringement, the nature of the plaintiff's goods and services will be determined primarily by reference to the scope of the specification,⁵⁴ not the scope of the plaintiff's use. If the trade mark owner has been careful to describe its products using broad terminology its monopoly will extend beyond the products it actually offers to the public.⁵⁵

53 *Hargreaves v Freeman* (1891) 8 RPC 273 (Ch) (owner of a mark registered in respect of 'tobacco' refused an injunction to restrain the defendant's use of the mark on cigars).

54 That is, the list of goods and/or services set out by the trade mark owner in its application for trade mark registration.

55 See Dean Committee Report, [33] (pointing out, for example, that even at that time toothpaste manufacturers could broaden their sphere of protection without opening themselves to a non-use challenge by choosing to describe their goods as 'dentrifices' rather than 'toothpastes').

The way in which the registration system serves to broaden the trade mark owner's rights by abstracting away from marketplace reality, and the fact that likelihood of confusion is only relevant to—not necessary for—a showing of registered trade mark infringement, serve to create exclusive market space for brands, that is, protection that goes beyond that which is strictly justified by the desire to prevent consumer confusion. Other legislative and judicial innovations have tended in much the same direction. For example, the creation of a facility for defensive registration of trade marks,⁵⁶ the 'cause to wonder' standard used when assessing the similarity of marks,⁵⁷ and the willingness to award damages at large in trade mark cases⁵⁸ all evince a desire to provide some protection for brands per se. Moreover, when one broadens the enquiry away from registered trade marks to look at protection for unregistered marks, one can see the courts being similarly prepared to protect brand owners from a range of 'unfair' commercial practices. However, unlike the broad rights against dilution that have emerged in other countries, these have been limited extensions that are broadly consistent with the logic that underpins the trade mark registration system. Insofar as such protection has been developed in the passing off/consumer protection context, the protections afforded are tied to a body of law that rests not on vague assertions about harm to brands, but rather on the trade mark owner being able to demonstrate that the defendant's behaviour is likely to alter consumer behaviour in some way.

On a rather different note, it is also important to say something here about the role of international agreements in shaping Australian trade mark law. Trade marks have been part of the multinational network of intellectual property treaties since 1883, when the Paris Convention on the Protection of Industrial Property was signed. Indeed, it was an undertaking made by the Imperial Government to other signatories at this Convention that led to additional pressure being placed on the Australian colonies to introduce more comprehensive trade mark registration systems.⁵⁹ Australia has long been a member of the Paris Convention in its own right. It is as a consequence of this Convention, for example, that Australia affords a six-month right of priority for applications first filed in another member state.⁶⁰ Other international agreements to which Australia is a party include the Nice Agreement, which regulates how goods and services are to be specified in applications for registration; the Madrid Protocol, which streamlines procedures for obtaining the registration of the same trade mark in other Protocol countries; and the Trademark Law Treaty and the Singapore Treaty, both of which are designed to harmonise trade mark registration procedures. However, the most important

⁵⁶ See Chapter 14.

⁵⁷ See Chapters 6 and 11 and see *Registrar of Trade Marks v Woolworths Ltd* [1999] FCA 1020; (1999) 93 FCR 365, 381 [47], where French J commented that the cause to wonder standard is 'best described in trade mark law as effecting a prophylactic support for commercial distinctiveness'.

⁵⁸ See Chapter 16.

⁵⁹ Specifically, the Imperial Government promised other signatories that it would endeavour to ensure that the self-governing dominions passed equivalent legislation. See Finn, above n 26.

⁶⁰ See Chapter 2. For detailed consideration of this Convention, see S Ricketson, *The Paris Convention for the Protection of Industrial Property: A Commentary*, Oxford University Press, Oxford, 2015, ch 12.

international agreement to which Australia is a party is the 1994 TRIPS Agreement. This not only requires compliance with many of the major provisions of the Paris Convention, but also imposes a number of additional obligations on member states. The significance of the TRIPS Agreement relates to the fact that it is part of the Agreement Establishing the World Trade Organization (WTO), meaning that non-compliance with TRIPS obligations attracts the WTO's strong dispute settlement procedure. This allows other WTO members (not corporations) to institute disputes before the WTO's Dispute Settlement Body. If non-compliance is found, the member in breach is required to amend its domestic laws to comply with the TRIPS Agreement or potentially face a range of retaliatory measures, including trade sanctions. At the time of writing, four tobacco-producing countries have pending disputes against Australia at the WTO in relation to the *Tobacco Plain Packaging Act 2011* (Cth), which prohibits tobacco companies from using trade marks, other than brand names presented in a tightly prescribed manner, on the retail packaging of tobacco products.⁶¹ Separate from its obligations under multilateral agreements, since 2003 Australia has also entered into a number of bilateral trade agreements with countries including the US, Singapore, Chile, Korea and Japan, and, most recently, has entered into the Trans-Pacific Partnership Agreement with eleven other countries. Each of these preferential trade agreements contains obligations concerning trade marks, although such obligations have largely reflected pre-existing Australian law and practice.

The final 'source' of trade mark law that needs to be considered is IP Australia. There are a number of senses in which IP Australia should be viewed as a 'source' of trade mark law. First, and most obviously, the preponderance of registered trade mark decisions are handed down not by state or federal courts but rather by hearing officers adjudicating disputes within the Trade Marks Office.⁶² Second, it must be remembered that in the vast majority of cases decisions as to registrability will not even reach a hearing officer, let alone a court—the final decision will, in effect, be made by a trade marks examiner.⁶³ Examiners make their decisions in

61 These are WTO disputes DS435 (Honduras), DS441 (Dominican Republic), DS458 (Cuba) and DS467 (Indonesia) (dispute DS434 (Ukraine) has been withdrawn). Full details are available at http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm. Among other things it is claimed that the *Tobacco Plain Packaging Act 2011* (Cth) puts Australia in contravention of its obligations under Article 16.1 of the TRIPS Agreement to afford trade mark owners the 'exclusive right to prevent' third parties from using similar signs resulting in a likelihood of confusion, and under Article 20 to ensure that the use of a trade mark in the course of trade is not 'unjustifiably encumbered by special requirements'. For commentary, see, for example, S Bennett, 'Plain Packaging in Australia: Not Necessarily Compatible with TRIPS' (2011) 22 AIPJ 66; A Marsoof, 'The TRIPs Compatibility of Australia's Tobacco Plain Packaging Legislation' (2013) 16 JWIP 197; S Frankel and D Gervais, 'Plain Packaging and the Interpretation of the TRIPS Agreement' (2013) 46 Vand J Transnat'l L 1149; M Davison and P Emerton, 'Rights, Privileges, Legitimate Interests, and Justifiability: Article 20 of TRIPS and Plain Packaging of Tobacco' (2014) 29 Am U Int'l L Rev 505.

62 See, in particular, Chapters 2 and 10 for further discussion.

63 To emphasise, when we refer to examiners making a 'final' decision we are not suggesting that their decisions are final in a legal sense, since they are always subject to review or appeal by one mechanism or another. Rather, we are pointing out that the vast majority of marks that are accepted are never made the subject of a legal challenge and the vast majority of rejections are not appealed.

light of the *Trade Marks Office Manual of Practice and Procedure*,⁶⁴ a reference tool designed to guide examiners and other IP Australia staff. In practice, therefore, how the trade mark system operates will depend not so much on what is said in the cases per se, but more on how case law is distilled and interpreted for the purposes of the Manual (and for the purposes of other, less formal, mechanisms for guiding work practices within the Office). Third, it should be noted that IP Australia exerts a good deal of control over the reform agenda for trade marks. For example, IP Australia produced three *Trade Marks Legislation Review Papers* in 2003–04 that led to a number of legislative changes being made by virtue of the *Intellectual Property Laws Amendment Act 2006* (Cth) and the *Trade Marks Amendment Act 2006* (Cth).⁶⁵ More recently, IP Australia published an *Options Paper on Review of Penalties and Additional Damages* (2008) and *Toward a Stronger and More Efficient IP Rights System* (2009). The former paper led to the introduction of new summary offences, higher penalties for indictable offences and additional damages for trade mark infringement, while the latter led to a significant overhaul of trade mark opposition procedures, in both cases through the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth).⁶⁶ Fourth, IP Australia exerts significant control over the regulation of the trade marks attorney and patent attorney professions. Strictly speaking, the body responsible for regulating the professional conduct of these professions is the Professional Standards Board for Patent and Trade Marks Attorneys (PSB), an independent body.⁶⁷ In practice, however, there is an extremely close relationship between the PSB and IP Australia. The administrative support staff who assist the PSB are IP Australia employees and the Director General of IP Australia is an *ex officio* member of the PSB and the Designated Manager responsible for registering patent and trade marks attorneys.⁶⁸ Influence over professional standards provides a further opportunity to steer how the system operates by guiding the working practices of professionals who interact with the system.

In making the above points we should emphasise that in drawing attention to these aspects of IP Australia's function we are not intending to suggest that the exercise of these roles and powers is inappropriate—there is an unfortunate tendency to read all references to 'bureaucratic power' as if they were pejorative. To our mind, the creation of a trade mark registration system makes it inevitable that the responsible government department will have an opportunity to exert considerable influence over how the system functions. The point we are trying to make is simply that IP Australia's role needs to be taken seriously if one is to understand how the registered trade mark system functions. It is for this reason that, wherever possible, we have tried to take account of the guidance provided by the Manual, the decisions that are being reached by hearing officers and other sources that provide an insight into how the law is applied within the Office.

64 Hereinafter, the 'Manual'.

65 The impact of IP Australia's reviews in this respect must, however, be seen alongside the impact of ACIP's *Review of Trade Mark Enforcement* (April 2004).

66 See Chapters 2 and 16.

67 The PSB is set up under s 227A of the *Patents Act 1990* (Cth).

68 See *TMA*, s 228A on the role of the Designated Manager.