

Trade Marks on the Internet

When does use on the web constitute use in Australia?

In the recent Federal Court case, *International Hair Cosmetics Group Pty Ltd v. International Hair Cosmetics Limited* [2011] FCA 339 (8 April 2011), Logan J held that use of a trade mark on a website hosted in the United Kingdom constituted use of that trade mark in Australia.

It was essentially a dispute between a former Australian distributor for a UK company's AFFINAGE hair care products. The Australian distributor subsequently acquired rights in the AFFINAGE brand in certain territories, including Australia.

The original dispute was settled by agreement with the parties entering into a Deed of Settlement which included an undertaking such that the UK company was not to use AFFINAGE as a sign in connection with the importation, marketing, sale or manufacture in Australia of hair care products.

The Australian company alleged that the UK company had breached this undertaking by using the AFFINAGE trade mark on its website at www.affinage.com which was hosted in the United Kingdom. The home page prominently displayed the AFFINAGE brand with a drop down box which included Australia as a choice. The UK company subsequently offered to amend the home page to include another brand (A.S.P.) with a link to a dedicated Australian site. The amended home page still prominently displayed the AFFINAGE brand.

The website did not offer any e-commerce facility in the sense that it was not possible to place orders or make payments via this website. Rather, the content was devoted to corporate and product information and promotion.

The language used on the home page conveyed the impression that AFFINAGE was a world brand of the UK company in which the Australian province was known as A.S.P. There was no statement to the effect that the UK company has no connection with the AFFINAGE brand in Australia.

Logan J construed the undertaking by applying trade mark law concepts to the terms "use" and "as a sign". Clearly, AFFINAGE was being used in a trade mark sense on the home page and the website as a means of marketing. The issue to determine was whether such use constituted marketing in Australia of hair care products.

Logan J approved the earlier Federal Court decision in *Ward Group Pty Ltd v. Brodie & Stone PLC* [2005] FCA 471 where Merkel J stated:

"In summary, the use of a trade mark on the Internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction where the mark is downloaded. However, ... if there is evidence that the use was specifically intended to be made in, or directed or targeted at, a particular jurisdiction then there is likely to be a use in that jurisdiction when the mark is downloaded. Of course, once the website intends to make and makes a specific use of the mark in relation to a particular person or persons in a jurisdiction there will be little difficulty in concluding that the website proprietor used the mark in that jurisdiction when the mark is downloaded."

In the context of the setting of the home page, the use of AFFINAGE, both in the original and amended versions, constituted trade mark use in Australia. The product information was specifically targeted at Australia and it was not clear that the current commercial origin in Australia of the AFFINAGE products was not the UK company. This marketing activity was contrary to the terms of the undertaking.

Logan J ordered the UK company to amend the www.affinage.com website by:

- i) removing Australia from the list of countries,
- ii) removing the reference to A.S.P.,
- iii) removing any reference to Australia, and;
- iv) removing any link to any website marketing or promoting hair care products for sale within Australia.

Although this decision dealt with Australian trade mark use on the internet in the context of compliance with an undertaking, it also provides a useful analysis of factors relevant to determining what constitutes trade mark use in this jurisdiction, including for the purpose of infringement as well as for establishing ownership, reputation and acquired distinctiveness.



Gerard Skelly

Principal

gerard.skelly@sprusons.com.au