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## A Tweet by any other name? The perks and pitfalls of using other people's trade marks

### Key Points -

- **Remember: social media platform operators own the rights in their brands and trade marks.**
- **Take care: when using social media branding, be sure to follow the owner's brand policies.**
- **Beware: use of social media brand elements in your own trade marks puts your business at risk.**

Two trade marks appear on the first page of this edition of the Watermark Journal. The first (naturally) is our own logo. The other is the Twitter bird device alongside our @WatermarkIAM username. By traditional standards, this is unusual: Watermark is using somebody else's trade mark to promote our business. It is a testament to the pervasiveness of social media platforms that nobody now gives a second thought to such use. Yet make no mistake – that bird device is the property of Twitter, Inc. It is registered as a trade mark in Australia in nine classes. The words TWITTER and TWEET are also registered as trade marks in Australia and around the world. Twitter doubtless also owns copyright in the bird design.

Using somebody else's trade mark could constitute infringement. So how is it that Watermark, and millions of other businesses, use trade marks belonging to Twitter, Facebook, Google and other providers of online platforms, without fear of being sued?

Arguably, the use of, say, the Twitter bird is not an infringement because it is not being used to identify the user (such as Watermark), but rather is being used as a reference to the Twitter service itself. So long as the trade mark is used in a

manner that avoids confusion between the user and the platform operator, there will generally be no infringement – although the position is not identical in all countries.

Furthermore, in most circumstances, the distinction between the very different business interests of Watermark and Twitter would be sufficient to avoid confusion, and thus infringement of Twitter's trade marks. This would not, however, avoid copyright infringement. Nor would it provide much comfort to businesses supplying products or services within the scope of Twitter's own trade mark registrations. Furthermore, Twitter's trade marks are now so famous that they may enjoy protection in many jurisdictions, even when used in relation to dissimilar goods or services.

Fortunately, it is not necessary to rely upon the vagaries of national laws, and subjective evaluation of 'confusion', to safely promote the presence of a business on major social media platforms. Operators, such as Twitter, are well-aware that their users are the source of the content that constitutes much of the value of their platforms, and that business' promotional efforts provide a mutual benefit. They therefore generally provide users with a licence to use their

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### End of Year Closure Dates

Watermark's offices will be closed  
from 24 December 2014 to  
5 January 2015.

Incoming mail will not be monitored  
during this period. Limited services will  
be provided on Friday 2 January.  
Any urgent matter should be  
directed to  
[mail@watermark.com.au](mailto:mail@watermark.com.au)

trade marks and branding for promotional purposes, subject to specific restrictions and terms of use. Twitter's terms, for example, can be found at <https://about.twitter.com/press/brand-assets>, and set out rules for third-party use of its trade marks and other brand assets.

It is worth noting that social media operators have a more powerful tool at their disposal than litigation – the ability to exclude non-compliant users from their platforms. The recent sorry demise of image-sharing site twitpic.com illustrates the importance of understanding, and respecting, the rights of social media platform operators to own and control their valuable brand assets.

Twitpic launched in February 2008, providing a service to enable users easily to 'attach' photos or other images to their Tweets. While a Tweet cannot actually contain an image, Twitpic enabled users to upload images to its servers, and posted Tweets on behalf of users, including links to the images.

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# Lost in translation: how distinctive is a foreign language trade mark?

On 3 December 2014 the High Court of Australia handed down an important decision concerning the test for when a trade mark is registrable. The impact of the decision will be particularly significant for businesses who sell imported products that are labelled with words in languages other than English, and may open the door to the registration of many marks that would previously have been considered unregistrable.

It would be prudent for businesses who export products to Australia to review their Australian trade mark portfolios in light of this case. It may now be possible to register in Australia marks that are unregistrable in the country of origin of the products.

The key issue in *Cantarella Bros Pty Ltd v Moden Trading Pty Ltd* was whether the Italian words ORO and CINQUE STELLE were properly registered for coffee. Cantarella is the registered owner of both marks, and sued Modena for infringement. In defence, Modena argued that Cantarella's registrations should be cancelled on the ground that neither mark meets the requirements for registrability under the Trade Marks Act. According to Modena, both marks were descriptive terms which traders who deal in coffee would legitimately wish to use. The word ORO translates from Italian as "gold" and CINQUE STELLE means "five stars".

Previous cases have established that, as a matter of public policy, the trade mark registration system should not confer monopoly rights over words that other traders might legitimately wish to use. For example, WHOPPER was held to be unregistrable for hamburgers (it describes a large hamburger), and BARRIER was held to be unregistrable for skin creams (it describes a cream that acts as a barrier to protect the skin).

On the other hand, in another famous trade mark case TUB HAPPY was considered registrable for cotton clothing, despite conveying some

meaning (i.e. the clothes are readily washable) because the term is allusive and not directly descriptive of the relevant goods.

Ordinarily, terms such as "gold" and "five stars" would be considered to have a very low level of inherent capacity to distinguish, because they are commonly used in a variety of contexts to indicate that products or services are "premium" or "luxury" in nature.

At trial, it was held that only a very small minority of Australians would recognise the allusions made by CINQUE STELLE and ORO, and so the trial judge held that the marks were registrable. This was despite the fact that Italian is widely spoken in Australia (and is in fact the most widely spoken language after English). On appeal, the Full Federal Court disagreed with trial judge. The Full Court cautioned against an "Anglocentric perspective", and held that the Italian meaning of the words was entirely descriptive in relation to coffee, and that it did not matter whether Australian consumers understood the meaning of the words or not.

The High Court (by 4-1 majority) rejected the Full Court's approach, and held that the test for whether a word is "inherently adapted to distinguish" involves an assessment of the "ordinary signification" of the word to Australians. The Court stated: "*If a foreign word contains an allusive reference to the relevant goods it is prima facie qualified for the grant of a monopoly. However, if the foreign word is understood by the target audience as having a directly descriptive meaning in relation to the relevant goods, then prima facie the proprietor is not entitled to a monopoly of it.*"

There was evidence to show that the term ORO (and D'ORO) had in fact been widely used by various traders in relation to coffee. However, the Court considered that the evidence was not sufficient to show that traders used (or desired to use) ORO or CINQUE

STELLE to directly describe their coffee products. According to the Court, the evidence did not show that either term was understood in Australia by persons concerned with coffee products to be directly descriptive of the character or quality of coffee.

Ordinarily, widespread use of a term by a variety of traders would suggest that the term lacks inherent capacity to distinguish, because widespread use indicates that traders legitimately desire to use the term. The Full Court placed considerable weight on the fact that other traders had used the term ORO in relation to coffee. However the High Court was unconvinced, deciding that whilst other traders had used the term, they did so as part of composite trade marks comprising other Italian words, and not descriptively. Prior registrations containing ORO were also not evidence that the term was directly descriptive of coffee.

The Court stated that the trial judge "was right to reject Modena's submission, based on the evidence, that honest traders might legitimately wish to use the words to directly describe, or indicate, the character or quality of their goods".

In his dissenting decision, Gaegler J stated that "Gold" and "Five Star" are ordinary English words which signify quality and which any person might legitimately wish to use. His Honour concluded that the same reasoning applied to their Italian equivalents when used for goods "of a kind commonly associated with Italy, often enough imported from Italy and often enough sold to Italian speakers".

Taken at face value, the High Court's decision has lowered the bar for when a mark will be considered "inherently adapted to distinguish". It is surprising that a laudatory term that is widely used by various traders would be considered inherently distinctive. The Court's focus was very much on whether the marks

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# Advanced Manufacturing in Australia

## Key Points -

- **Despite media pessimism on the state of the manufacturing industry in Australia, there is a growing confidence in the future of advanced manufacturing technologies**
- **Carbon composite technology finds a niche in aerospace and automotive component manufacturing in Australia**
- **Patent landscape mapping can help to identify mature and growth potential technology areas**

With the imminent closure of the automotive industry in Australia, there is much doom and gloom in the media, and in the community generally, about manufacturing in Australia. But the recent Australian Manufacturing Summit highlighted so many examples of successful Australian manufacturing companies that it was impossible not to be drawn into the energy of the event and optimism of the delegates.

Watermark was pleased to sponsor the inaugural Australian Manufacturing Summit on 10-11 November 2014 in Sydney. A key theme of the Summit was the need to 'talk up' rather than 'talk down' Australian manufacturing. The media feeds community pessimism as it focuses on factory closures and job losses. But there are many successful Australian manufacturing companies competing globally - examples presented at the Summit ranged from medical devices (Cochlear and ResMed) through to microphones (RØDE) and aerospace (Quickstep).

Quickstep is a Watermark client and we were very pleased to introduce

the company as a manufacturer of advanced carbon fibre composites for the aerospace, defence and automotive industries. It operates state-of-the-art aerospace manufacturing facilities in Sydney and has recently announced the opening of an Automotive division at Deakin University in Geelong, Victoria.

A key technology of Quickstep, patented through Watermark, is its heated fluid curing process which allows much faster and cheaper manufacture of carbon fibre components. It is this process which will be used to produce high quality components at the new Automotive division.

Watermark undertook some research to assess where Quickstep's heated fluid curing technology sits relative to other competing technologies. One tool to do this is a 'patent map' (see top right) which attempts to visually depict the technology landscape by clustering similar patents together. White mountain peaks represent high intensity of patent activity in a closely



related technology. The Quickstep patent (red dot) is not on a mountain peak but instead on a much lower hill, thereby indicating that the technology is relatively unique, and thus inventive.

Quickstep is one example of many Australian companies developing truly innovative technologies and products for world markets. This advanced manufacturing capability is a reason to be more optimistic about the future of Australian manufacturing.

**By Ray Tettman**

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## A Tweet by any other name? The perks and pitfalls of using other people's trade marks

Twitter's terms include a provision that users of Twitter's services must not 'apply for a trademark with a name including "Twitter", "Tweet", the Twitter bird, transliterations or similar variations thereof.' While 'Twitpic' is not exactly the same as 'Twitter', its meaning is very plain to all users: it is a 'picture' service for use with 'Twitter'. In some ways, it is surprising that Twitter tolerated the use of the 'Twitpic' name in the first place, however, this is probably explained by the fact that Twitpic was a very early entrant to the Twitter ecosystem, predating the development of a mature brand policy.

Twitpic originally applied to register its name as a trade mark in the US in 2009. After five years it had finally

passed the examination process when it was contacted by Twitter, which demanded that Twitpic abandon its application otherwise its access to the Twitter platform would be revoked. Unfortunately, Twitpic was unable to overcome this roadblock to its business aspirations, and as of 25 October 2014 it has ceased operations.

The inability to secure registration of its name may not be the only cause of Twitpic's demise, however, there are valuable lessons for other businesses in its experience:

- never forget that the brand assets associated with social media platforms are generally the property of their operators, despite their

widespread use by third parties;

- be aware of, and follow, the brand policies and other terms when using social media brand assets; and
- avoid succumbing to the temptation to employ branding that references a related social media platform – even if the IP laws are ultimately on your side, use of the platform implies acceptance of contractual terms, and the operator holds the ultimate power of exclusion!

**By Mark Summerfield**

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# IAM: Watermark

## Meet Ken Bolton

As a mechanical engineer by trade, Ken Bolton has over 20 years patent experience.

Ken has written patents for a wide range of industries, including inkjet printers, molecular diagnostic devices, and anti-counterfeiting measures on banknotes.

After several years as a Patent Examiner, it seemed like a natural progression to become a Patent Attorney.

A Patent Attorney has a front row seat to cutting-edge developments in a range of technologies and the people who create these developments are constantly driving their industries forward.

Having seen all sides of the patent world, as an Examiner, a client and an Attorney, Ken has a unique 360° view in his approach to his clients.



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## Snowdome Great Shake Up Event raises over \$550,000 for blood cancer

The Snowdome Foundation 'Great Shake-Up' 2014 fundraising event held on 15 October has raised \$550,000. This money will be used to directly fund clinical trials for blood cancer patients in Australia and support research in the area of epigenetics. Snowdome's Gala Auction raised \$54,500 and an additional \$43,000 will fund a Clinical Trial Nurse and Research Scientist. More than 2,500 people across 100 boardrooms including Watermark's Melbourne boardroom participated in the virtual event.



Watermark is a founding supporter of the Snowdome Foundation.

## Congratulations Guy & Leanne

Watermark congratulates Guy Provan on his appointment as Legal Director of Watermark Intellectual Property Lawyers. We also congratulate Leanne Oitmaa on her appointment as Special Counsel.

## Season's Greetings

The Principals and staff wish our clients and friends a happy festive season and successful 2015.

Proceeds from this year's Season's Greetings cards will go to Kids Helpline & The Heart Foundation.

## Lost in translation: how distinctive is a foreign language trade mark?

in question were directly descriptive. The Court stated that the key to resolving the appeal was the distinction between a word which is a "covert and skilful allusion" to the goods (prima facie registrable) and a word having a "direct reference" to goods (prima facie not registrable). The Court was of the view that ORO and CINQUE STELLE were merely allusive and not directly descriptive, because the evidence did not show that the terms conveyed "a meaning or idea sufficiently tangible to anyone in Australia concerned with coffee goods as to be words having a direct reference to the character or quality of the goods".

However it might be doubted whether a word that is widely used by a variety of traders in relation to particular products could ever be capable of indicating a

unique trade origin for those products, regardless of whether the word is directly descriptive or not. This is particularly so in the case of imported products. If a word is commonly used in another country in relation to coffee (for example), it is likely that traders importing coffee from that country will wish to use that word on packaging, even if the meaning of the word is not understood in Australia. By focusing on whether the words ORO and CINQUE STELLE are descriptive, the Court perhaps gave insufficient weight to the fundamental question of whether the words are capable of functioning as trade marks at all.

To some extent the Court's decision may have been influenced by how the case was run and the evidence presented at trial. If Modena had demonstrated that

not only is the term ORO widely used by a variety of traders in relation to coffee, but that traders choose to use the term because of its descriptive or laudatory significance, the outcome of the case may well have been different.

In light of the Court's decision, there would now appear to be much greater scope to register marks that are not understood in Australia to be directly descriptive of the goods or services for which they are used, and in particular foreign language marks.

### By Peter Hallett

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