

## **Certification and Collective Trade Marks in Australia**

Australian trade mark law provides for the protection of both certification and collective trade marks.

### **Certification Trade Marks**

Certification trade marks (in Australia) serve a different purpose to ordinary or collective trade marks in that the use of a certification trade mark on goods does not tell the purchaser *who* made or marketed the goods. Instead, a certification mark indicates that the goods on which it is used have been “certified” as meeting a particular standard of quality or accuracy, or as having a particular composition, mode of manufacture, geographical origin or some other characteristic.

The presence of a certification mark on a product or service will give the consumer guidance and resulting confidence in deciding whether to make a particular purchase or not.

Certification trade marks are commonly applied to goods or services in conjunction with standard trade marks.

Certification marks are not used exclusively by the one owner but rather are open for use by anyone whose goods or services meet requirements for use as specified in the rules that must accompany the application at or shortly after filing.

Once the Trade Marks Registrar is satisfied a certification trade mark has met registrability requirements, the application is forwarded to an independent government organisation, the Australian Competition and Consumer Commission (ACCC) to ensure the application rules are consistent with competition principles and in the public interest.

There are currently over 480 registered or pending certification trade marks in Australia. They cover a wide range of certification schemes including:

- Food content
- Quality of building material and services
- Geographical origin and quality of cheese, tea, coffee, cured meats and wines
- Goods and services originating from Australia
- Quality and origin of wool
- Geographical nature and origin of cotton

### **Application procedure**

The application procedure for a certification mark is similar to that of an ordinary trade mark. A copy of the rules governing the use of the certification mark must also be filed, at the time of filing the application or as soon as practicable after filing. These rules are made available to the public through publication on the IP Australia website after they have been filed with the office. The rules are also published once they have been certified by the ACCC.

### **Who may apply and limitations on who may apply**

Applications for certification marks originate from a range of sources inside and outside Australia including:

- private individuals,
- large companies,
- small to medium enterprises
- government organisations,
- public interest groups,
- owners of geographical indications

Unlike some jurisdictions, there is no longer a requirement under current Australian trade mark law that the applicant *not* use the trade mark.

This requirement was repealed *because* it prevented organisations from registering certification trade marks for goods or services which they themselves were selling. An example of this might be, for example, a collectively owned certification mark certifying the geographic origin of meat products.

It was also considered that a prohibition on traders registering certification marks for their own goods meant that in some cases the owner of an international registration of an appellation of origin would not be entitled to be the owner of a corresponding certification trade mark registration in Australia.

The involvement of an independent government organisation such as the ACCC is considered to serve the public interest in this respect.

### **Registrability**

The criteria for determining the registrability of a certification trade mark during examination cover similar grounds to those for other trade marks.

In Australia, full examination of every trade mark application, including certification trade mark applications, occurs. This examination involves application of basic registrability tests

including prior rights, distinctiveness, and whether use of the term on the goods or services is likely to deceive or cause confusion.

A certification mark must be capable of distinguishing but the question of distinctiveness may be determined differently than in the case of a standard trade mark as the context of the decision is different. This is because the main area for consideration is whether the certification trade mark is capable of distinguishing the *certified* goods or services from those *not so certified*, rather than distinguishing the goods or services of one trader from the similar goods or services of another.

The registration of certification trade marks in addition requires that competition and public interest issues be tested by the ACCC to ensure the rules do not unfairly exclude those qualified to use the trade mark and that the certification authorities are competent.

### **Rules**

The rules governing use of certification marks must specify:

- the *requirements that goods or services must meet* for the certification trade mark to be applied to them;
- the *process* for determining whether goods or services meet the certification requirements;
- the *attributes that a person must have* to become an approved certifier (that is, a person approved to assess whether goods or services meet the certification requirements);
- the *requirements that the owner of the certification trade mark or an approved user must meet* to use the certification trade mark in relation to goods or services
- other requirements about the use of the certification trade mark by the owner or an approved user
- the *procedure for resolving a dispute* about whether goods or services meet the certification requirements
- the procedure for resolving a dispute about any other issue relating to the certification trade mark.

The rules must include any other matter the Commission requires or permits to be included.

### **Trade Practices and Unfair Competition issues**

Before accepting any certification trade mark application for registration, the Registrar of Trade marks must first send a copy of the application and the rules, and any other relevant documents, to the ACCC. This requirement is to ensure adequate testing for competition principles, adherence to fair trading policies and to ensure there is no detriment to the public.

Specifically, the Commission considers the rules themselves and how effective they are in ensuring the specified standards are met, as well as more broadly the effect the certification scheme is likely to have on the public. The criteria the commission must consider in assessing the rules are the principles set out in Australian trade practice legislation relating to:

- restrictive trade practices;
- unconscionable conduct;
- unfair practices, product safety and product information.

### **Commission's Assessment must be published**

As soon as practicable after the initial assessment, the Commission must notify both the applicant and Registrar of the result of the initial assessment, that is whether or not it proposes to give a certificate.

Publication of this initial assessment allows interested parties to support or oppose the acceptance of the trade mark on the basis of matters contained in the rules.

When coming to its final decision on whether or not to give a certificate, the Commission must take into account:

- the initial assessment,
- written or oral submissions made in response to the notice or advertisement of the initial assessment,
- comments made on those submissions, and
- any other relevant matter.

If, after making the above considerations, the Commission is not satisfied that the attributes of the approved certifier are sufficient to enable competent assessment of the specified goods or services OR is not satisfied with the rules governing the use of the trade mark, it must refuse to issue a certificate.

Both the applicant and the Registrar must be notified of the decision whether or not to give a certificate.

### **If Certificate refused by Commission**

The Registrar must advertise the decision in the Official Journal of Trade Marks to allow the members of the public to be aware of the application so that opposition can be considered.

The advertisement must include a statement to the effect that an application may be made to the Administrative Appeals Tribunal for the review of a decision of the Commission not to issue a certificate.

If a certificate is not issued by the Commission, the Registrar must reject the application, give the applicant notice of his or her decision and advertise the decision in the Official Journal of Trade Marks.

#### **If Certificate issued by Commission**

If both the following criteria are satisfied, the ACCC must issue a certificate to the applicant:

- the attributes of the approved certifier are sufficient to enable competent assessment of the specified goods or services; and
- the rules governing the use of the trade mark are satisfactory.

A copy of this certificate is sent to the Registrar of Trade Marks together with a certified copy of the rules.

If a certificate is issued by the Commission, the Registrar must accept the application, notify the applicant and advertise the decision for opposition as for a normal trade mark acceptance. The rules are then published as certified on the IP Australia website.

#### **Opposition to registration of accepted certification trade mark**

Once acceptance of the certification trade mark is advertised, its registration may only be opposed on any of the grounds of opposition provided for in the *Trade Marks Act 1995*.

These grounds include standard grounds for rejection during examination, with the exception of the ground relating to whether a mark is capable of distinguishing. A comparable provision for this ground of opposition is made separately.

#### **Variation of Rules**

Once a certification trade mark is registered, the rules may be varied by the registered owner with the approval of the Commission. The Commission must be satisfied that the rules as varied would not be to the detriment of the public and that they satisfy the same criteria as required for the issue of a certificate.

The approval process takes the same form as for the issue of a certificate by the Commission for an application for registration of a certification trade mark.

The Commission's decision must be notified to the Registrar and the registered owner, and the Registrar must advertise it in the Official Journal. The advertisement must include a statement advising that an application may be made to the Administration Appeals Tribunal for review of the decision.

### **Assignment of registered Certification Trade Marks**

Certification trade marks can be assigned both before and after registration in the same way that ordinary trade marks may be assigned. However, there are extra requirements imposed - the permission of the Commission must be granted before the assignment of a registered certification trade mark can be carried out. This is to ensure that the new owner is competent to be the approved certifier.

### **Rectification actions in relation to Certification Trade Marks**

The grounds for rectification for standard trade marks generally also apply to certification trade marks.

There are also additional grounds on which a certification trade mark may be cancelled or an entry in the Register may be rectified by order of the court, on the application of a person aggrieved. These grounds relate to the registered owner's competency to certify goods or services, the rules governing the use of the certification trade mark, and failure to comply with the rules. The court may also make orders for varying the rules, on application of a person aggrieved.

### **Examples of Certification Trade Marks**

#### **Food - Health**

Trade Mark 498188 (Class 29) owned by the National Heart Foundation



In relation to: "Meat, fish, poultry and game; meat extracts; preserved dried and cooked fruits and vegetables; prepared nuts; jellies, jams; milk and milk products; edible oils and fats; preserves, salad dressings; egg products; peanut butter; soups and vegetable juices for cooking".

- Rules for use of this mark identify the characteristics that must be present in the prepared food before the mark can be used on its packaging when being sold.

- In this case it stipulates allowed levels of content for various substances including saturated fat; trans fat; fibre levels; salt content; sugar and energy.
- The Heart Foundation must monitor the use of the mark to ensure that it is only used under agreed arrangements in relation to foods that meet requirements.
- Goods which have been certified as “heart foundation approved” through use of the registered “tick” device are likely to be more appealing to the public through a perceived health benefit and also to the seller through associated increased sales.

Other examples, in summary:

**Wool**

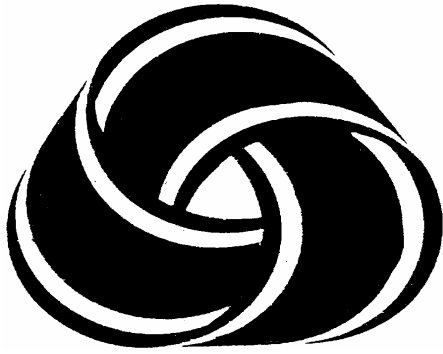
Owned by The Woolmark Company Pty Ltd

Many marks in relation to a wide range of goods including clothing, textiles, cleaning products

Registered since 1964, 1974 onwards



Certifies goods of pure new wool



Certifies goods of wool blend

## **Wine**

Trade Mark 283819

**LIEBFRAUENMILCH**

Owned by Wine Stabilization Fund, HAUS DES DEUTSCHEN WEINES, WEST GERMANY

Registered From 09-DEC-1974 in relation to wines

Trade Mark 883669

**HILLTOPS**

Owned by Hilltops Incorporated, NSW, AUSTRALIA

Registered From **26** July 2001 in relation to wines

Trade Mark 909889

**ASTI**

Owned by Consorzio per la Tutela dell'Asti, Asti, ITALY

Registered From 18 April 2002 in relation to wines, sparkling wines

Trade Mark 1091788, International Registration 869991

**MONTEFALCO SAGRANTINO**

Owned by Consorzio Tutela Vini Montefalco. Montefalco, ITALY

Registered From 19 September 2005 in relation to wines

**Fresh Produce - Cheese and Ham**

Trade Mark 815585



Owned by Consorzio Del Prosciutto di Parma, Parma, ITALY

Registered From 29 November 1999 in relation to ham

**Tea and coffee**

Trade Mark 852576

JAMAICA BLUE MOUNTAIN

Owned by Coffee Marks Ltd, Kingston, Jamaica

**Registered From** 6 October 2000 in relation to Coffee and coffee beans

Trade Mark 852577



Owned by Coffee Marks Ltd, Kingston, Jamaica

**Registered From** 6 October 2000 in relation to Coffee and coffee beans

Trade Mark 998593



Owned by Tea Board, India

**Registered From** 20 April 2004 in relation to tea

Trade Mark 1239072 International Registration 959458



Owned by Yunnan Province Pu'er Tea Association, Yunnan Province, CHINA

**Lodgement Date** 31 MARCH 2008, application in relation to tea

**Collective Trade Marks**

Collective marks were introduced into Australian law explicitly in 1995 to ensure consistency with Article 7<sup>bis</sup> of the Paris Convention and Article 2 of the Agreement on the Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement). Collective marks are owned collectively by members of an association.

Collective marks differ from standard or certification trade marks because rather than being used to indicate the source of the goods or services, or to certify a quality or characteristic of them, they instead indicate that the owner or trader is part of a defined group. A collective mark thus distinguishes the goods or services of members of the association from those who are not members of the association. Consequently, use by individual members of the organization constitutes use by the association as a whole. Ownership of these marks cannot be assigned or transferred. For the purposes of examination, a collective trade mark is considered in the same way an ordinary trade mark. Collective marks are only filed infrequently in Australia.

### **Application procedure**

Applications for collective trade marks are filed in the name of the association rather than in the name of an individual and will in the main be dealt with in the same way as ordinary applications.

### **Limitations on who may apply**

Only an association itself, whether incorporated or not, may apply for a collective trade mark. The application must be made in the name of the association and not in the name of an individual or individuals. If the application is made in the name of an individual or individuals this will be questioned during examination.

Any member or members who are authorised by the association to do so can sign the application on behalf of the association. The office/s of those signing the application should be given with the signature.

### **Registrability**

The criteria for registrability are the same as for standard trade marks.

### **Use of a Collective Trade Mark**

Use of a collective trade mark by individual members of the organization which owns it constitutes use by the organization or association as a whole. This means that use by a member constitutes use by the registered owner and is relevant to deciding the question of whether the trade mark is capable of distinguishing. It is also relevant to determining the question of non-use action. A member of an association in whose name a collective trade

mark is registered does not have the right to prevent another member of the association from using the collective trade mark in accordance with the rules of the association (if any).

### **Assignment or transmission of collective trade marks**

A collective trade mark may not be assigned or transmitted. This may represent a problem for an association which owns a collective trade mark, should the association become incorporated. Assignment or transmission of the trade mark to the incorporated association would not be allowed.

### **Infringement of Collective Trade Marks**

The provisions for infringement of a registered standard trade mark apply to infringement of registered collective trade marks.

In addition, Australian law provides that in an action by an association in whose name a collective trade mark is registered seeking relief for infringement of the collective trade mark, the association may take into account, in claiming damages, any damages or loss of profits sustained or incurred by the members of the association as a result of the infringement.

### **Examples of collective marks**

Trade Mark 679462



Registered from 29 November 1995

Owned by Industry Funds Forum, AUSTRALIA in relation to superannuation services

Trade Mark 800879

**CA PERFORMANCE VIEW**

Registered from 20 July 1999

Owned by The Institute of Chartered Accountants in Australia in relation to *Business consulting services, including services in the field of measurement and monitoring key business indicators to assess progress toward strategic goals*

Trade Mark 873103

**AFAQ**

Registered from 19 April 2001

Owned by **AFAQ** (Association Francaise pour la Certification par Tierce Partie des Systemes d'Assurance de la Qualite des Entreprises ), FRANCE in relation to *Business management of certification of quality management systems; personal management; providing business information, inquiries and business statistical information and Certification and evaluation of quality of management systems as quality control and quality testing services in the fields of administration, business management, manufacturing, marketing, finance, organisation of management, personal management; providing services of third parties for certification and evaluation of quality management systems, certification of auditors; certification and evaluation of environmental management systems with a view to establishing if the concerned companies are in respect with the required standards*

Trade Mark 1179932



Registered from 31 May 2007

Owned by International Accreditation Forum, Inc., USA in relation to *Services of an international association of organizations composed of accreditation and accepted bodies, associates and entities, namely the provision of education and training to accreditation bodies to harmonize and provide for the consistent application of conformity assessment activities to international standards, which allows the harmonization and consistency of standards in order to benefit public health, safety and welfare and to facilitate international and domestic trade, and also arranging and conducting conferences and special working groups where*

*information relating to accreditation can be exchanged and criteria for consensus guidelines can be established and administrated*

### **Differences between Certification Trade Marks and Collective Trade Marks**

Certification trade marks indicate particular characteristics of the goods or services whereas collective trade marks indicate that goods or services are provided by members of a particular association.

Collective trade marks can only be used by members of the association whereas certification trade marks can be used by anyone who meets the criteria outlined in the rules.

In Australia, certification trade marks require rules governing their use, but collective marks do not.

Certification trade marks also need to be considered by the ACCC to strike a balance between protecting the public interest and protecting the reputation or qualities of a particular group of traders or product.