



## Reputation in a trade mark – not relevant to infringement

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Independent real estate start-up, The North Agency, fends off property monolith, The Agency, in the Federal Court of Australia.

In dismissing all claims against The North Agency, including finding that The North Agency had not infringed The Agency's trade marks, the Court affirmed recent High Court authority that in order to establish trade mark infringement, the reputation of a trade mark is not relevant when determining whether a trade mark is deceptively similar to another.<sup>1</sup>

### Facts

The Agency Group is a prestigious national property business with over 400 real estate agents and an annual gross revenue of over \$70 million. The Court heard evidence of substantial monetary investment of over \$2 million last financial year in the promotion and advertising of its registered trade marks on its website, social media, and third-party real estate websites.

The North Agency, is a start-up with 6 employees that had spent around \$25,000 to promote its brand following its business registration in January 2023.

The Agency Group alleged that the start-up had infringed its registered trade marks pursuant to section 120(1) of the *Trade Marks Act 1995* (Cth) (**Trade Marks Act**) and engaged in misleading and deceptive conduct contravening section 18 of the *Australian Consumer Law (ACL)*, drawing comparisons between the logos and get-ups of the competing real estate agencies.



Under the Trade Marks Act, a person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services of the registered trade mark.<sup>2</sup>

The Agency Group asserted that The North Agency's logo and its use of the word 'Agency' in connection with real estate and property services amounted to trade mark infringement because it was deceptively similar to The Agency Group's registered trade marks.

### Decision

The Court dismissed all claims against The North Agency. In his decision, Jackman J confirmed the legal principles relevant to determining deceptive similarity for the purpose of trade mark infringement, citing the High Court's recent decision in *Self Care IP Holdings*.<sup>3</sup>

The assessment is based on the resemblance between the two trade marks, taking into account their visual appearance, their sound, and the impression produced in the mind of an ordinary consumer allowing for 'imperfect recollection'.<sup>4</sup>

The Court held that the insertion of the word 'NORTH' and its prominence in The North Agency's trade mark differentiated the trade marks to such an extent that those differences would remain in the mind of an ordinary consumer. Therefore, the trade marks were not deceptively similar to each other and were unlikely to cause confusion.<sup>5</sup> Jackman J considered the whole of each mark, including the stylised 'A' in the Agency's trade mark and the descriptive quality of the word 'Agency' given it was commonly used by real estate businesses, and decided that

<sup>1</sup> [Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd \[2023\] HCA 8](#) ('Self Care Holding').

<sup>2</sup> Section 120(1) *Trade Marks Act 1995* (Cth).

<sup>3</sup> *The Agency Group* [55].

<sup>4</sup> *Self Care Holding* [28]-[9].

<sup>5</sup> *The Agency Group* [56].

a consumer would neither be confused by the use of 'Agency' from a rival trader,<sup>6</sup> nor be likely to believe that the two agencies were the same.

Significantly, the Court confirmed that material external to the trade marks themselves, including reputation in a trade mark, is not relevant when assessing whether trade marks are deceptively similar to each other.<sup>7</sup>

## Key Takeaway

Business owners cannot rely on reputation alone to protect their brands. Careful and considered intellectual property strategy and protection is paramount for any business wanting to properly protect their brand.

The case reinforces the differences between claims under the ACL for misleading and deceptive conduct, passing off, and trade mark infringement, highlighting the importance of trade mark registration for new businesses that are yet to establish a reputation in their brand.

To discuss how best to protect your brands and other intellectual property assets please contact [Jimmy Gill](#) or your usual [ClarkeKann](#) contact.

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<sup>6</sup> *The Agency Group* [72].

<sup>7</sup> *The Agency Group* [56].