



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 hadn't infringed The Agency's registered trade marks, the Court affirmed recent High Court authority that reputation in a trade mark is not relevant when determining whether a trade mark is deceptively similar for trade mark infringement.¹

Facts

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

The North Agency, is a start-up of 6 employees who to date had spent \$25,000 on branded material following their business registration in January 2023.

The Agency Group alleged that the newly formed property pop-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 competing real estate agencies logos and get-ups.



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.²

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 was deceptively similar to The Agency Group's registered trade marks.

Decision

The Court dismissed all claims and found that the The North Agency hadn't infringed The Agency's registered trade marks. In his decision, Jackman J confirmed the legal principles in determining deceptive similarity for the purpose of trade mark infringement, citing the High Court's recent decision in *Self Care IP Holdings*.³

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

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 it would remain in the mind of an ordinary consumer, therefore it was not deceptively similar and was unlikely to cause

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

² Section 120(1) *Trade Marks Act 1995* (Cth).

³ *The Agency Group* [55].

⁴ *Self Care Holding* [28]-[9].

confusion.⁵ 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' observing it was commonly used by real estate businesses, deciding that a consumer would not be confused by the use of 'Agency' from a rival trader,⁶ and nor would a consumer 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, was not relevant in assessing whether the trade marks were deceptively similar,⁷ a crucial lesson for The Agency Group, and all big businesses seeking to enforce intellectual rights in their trade marks.

Key Takeaway

While The Agency Group may still appeal this decision, the case is a poignant reminder that business owners cannot rely on reputation alone in protecting their brand and that careful and considered intellectual property strategy and protection is paramount to any business wanting to protect their brand.

The case reinforces the difference between claims under the ACL for misleading and deceptive conduct, or for passing off, and actions for trade mark infringement, highlighting the importance of trade mark registration for new businesses who are yet to establish a reputation in their brand's logo or trade dress.

To discuss how best to protect your business and brand assets please contact Jimmy Gill or your usual ClarkeKann Lawyer's contact.

⁵ *The Agency Group* [56].

⁶ *The Agency Group* [72].

⁷ *The Agency Group* [56].