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(RE)CLAIMING TRADE MARK PROTECTION

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(Re)claiming Trade Mark Protection

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I INTRODUCTION

Identifying a change that might productively be made to trade mark law is remarkably difficult. This is not because the law is near perfection in the jurisdictions with which we are familiar. On the contrary, it is because there are so many problems jostling for attention. The role that trade mark registration is intended to perform, and how it relates to protection for unregistered marks, is poorly understood; the test for distinctiveness has been weakened, without adequate discussion or analysis of why such a change might or might not be desirable; trade mark owners have been given expanded rights to protect against forms of “harm” that rest on flimsy empirical and theoretical foundations; the communicative and free speech interests of artists, consumers, parodists and social critics are inadequately protected by current defensive doctrines; and courts often afford remedies that appear detached from the underlying justifications for trade mark protection.² These inadequacies in trade mark doctrine are compounded by the ability of trade mark owners to leverage further advantage in the way they exploit and police their rights: aggressive brand management strategies magnify the law’s defects. However, these problems are not the focus of this chapter. Rather, we have chosen to concentrate on how trade mark owners are able to construct the scope of their rights during the registration process, and thereafter. Owners are allowed to register marks with unduly broad specifications of goods and services, and they can register marks that contain many different elements without being required to identify those elements for which they are claiming exclusivity. These initial ambiguities allow owners to construct claims for infringement that are surprising.

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² There is a vast body of scholarship on these problems, a considerable proportion of which has been developed by the other contributors to this volume.

Focusing on British Commonwealth and EU trade mark law, this chapter deals with the problem of “overclaiming.” This is an area that, in our view, has yet to attract sufficient attention. More specifically, although some of the individual problems we discuss in this chapter have been recognized by other commentators, little attention has been given to the way in which these problems converge and ought to be understood as part of a broader and much more concerning phenomenon. In addition, we believe that the problem of overclaiming is a productive target for the theme of “change,” because some of the problems we identify could be addressed relatively easily through changes in administrative and judicial practice. Insofar as legislative amendments would be required, these changes would look and feel like procedural reforms. As such, they would be less likely to attract the degree of political controversy that would attach to an attempt to reform a central precept of modern trade mark doctrine (for example, abolishing protection against dilution).³ We should perhaps acknowledge that our recommendations have less salience for use-based trade mark systems, such as that in the U.S. This is because in a use-based system the scope of protection is only ever loosely tethered to the form of registration, and the free-wheeling confusion analysis that courts in such systems undertake is incompatible with a desire to restrict claims by reference to that which appears on the register. Nevertheless, we hope that our recommendations will be of interest to readers from use-based systems, at least those who share Rebecca Tushnet’s view that a greater focus on registration could “limit trademark’s current structurelessness.”⁴

This chapter is structured as follows. In Section II we explore the opportunities trade mark owners have during the registration process to carve out an unduly broad sphere of protection. We consider the ways in which the law facilitates and tolerates the use of overly broad specifications of goods and services, as well as the ways in which the law allows for representations of marks that produce genuine uncertainty as to the scope of the resulting monopoly. We then turn in Section III to the enforcement of registered trade marks, and demonstrate that owners may be able to frame their registrations in ways that are not obvious and that serve to extend the scope of their rights still further. We conclude in Section IV by offering some suggestions as to what might be done about the problems identified.

³ We recognize, however, the force in arguments that the entire doctrine of dilution is unconstitutional in the U.S. See, e.g., Mark P. McKenna, *Dilution and Free Speech in the U.S.*, *Reprise* (Mar. 13, 2019), <https://ssrn.com/abstract=3352090>; Ryder Hogan, *Examining the Unconstitutionality of Dilution by Tarnishment after Tam*, 27 AM. U. J. GENDER, SOC. POL’Y & L. 465 (2019).

⁴ Rebecca L. Tushnet, *Registering Disagreement: Registration in Modern American Trademark Law*, 130 HARV. L. REV. 867, 872 (2017).

II WHAT GETS ON THE REGISTER

It is universally accepted that trade mark protection is only justified insofar as a trade mark is in use. Consumer decision-making and consumer choice are enhanced only if marks are being actively employed in the marketplace. As William Landes and Richard Posner put it, “[if] the good is not for sale, the trademark confers no benefit. Thus conditioning trademark rights on use is a way of limiting the use of scarce enforcement resources to situations in which the rights in question are likely to yield net social benefits.”⁵ Use in the registration context means use in relation to the full range of goods and services specified in the application. If an applicant has registered its mark in relation to “teddy bears” and “skateboards,” use on teddy bears should no more preserve the registration in relation to skateboards than if there had been no use of the mark at all. The same logic demands that we ought to be concerned about any possibility of allowing an applicant who only makes teddy bears to secure and maintain a monopoly over skateboards through specifying its goods as “toys” or “playthings.”

Trade mark systems ought, therefore, to contain mechanisms to discourage applicants from claiming goods or services that they only have a hazy intention of offering in the market (or, worse still, no intention at all) and from choosing to describe their products using broad generic terms when a narrower description would more fairly describe the applicant’s intentions.⁶ In practice, however, the jurisdictions with which we are most familiar do not have robust systems for policing applicants’ intentions. Applicants are not required to lodge evidence of use, nor are they routinely required to file a declaration that they intend to use their marks.

Beyond these general observations, assessing the adequacy of current policing mechanisms requires some engagement with administrative rules and bureaucratic practice. Taking Australia first, the Trade Marks Office has the power to challenge applications on the basis that the specification appears to be unrealistically broad, and can require applicants to lodge a declaration that they intend to use their marks across the full range of goods and services specified.⁷ However, it seems that this power is almost never employed, with the Office’s Manual of Practice and Procedure stating, without elaboration, that it “will not

⁵ William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267, 280 (1988).

⁶ This was recognized in the U.K. in the early years of the registered trade marks system: *In Re Batt’s Trade Marks*, (1898) 15 R.P.C. 534, 538–39 (C.A.) (Eng.).

⁷ *Trade Marks Regulations 1995* (Cth) reg 4.3(8) (Austl.).

usually be exercised.”⁸ Relatedly, there does not appear to be any appetite for trying to persuade applicants to avoid choosing broad generic terms in their specifications.⁹ The best that can be said for the current Australian system is that it makes it difficult for applicants to claim an entire class of goods or services. Specifically, the use of terms such as “all goods in this class” or “all other services” is prohibited.¹⁰ Similarly, the position in Australia is that the use of class headings in the specification will be read as a claim only to the items set out in that heading, and not to all goods or services in that class.¹¹

If the limited Australian scheme seems unsatisfactory, it should be noted that it actually goes further than some other jurisdictions. In the EU, for example, the EUIPO has no power to investigate whether a specification is unrealistically broad, a consequence of the fact that there is no requirement in the EU Trade Mark Regulation¹² that an applicant for registration have an intention to use the mark.¹³ There is also no absolute prohibition in the EU on the use of Nice class headings to secure registration of every conceivable good or service within that class. Rather, following the decision of the Court of Justice in *IP Translator*, it is possible for a national registry to treat class headings as covering the entire class, provided the applicant specifies that this is its intention.¹⁴

The absence of adequate mechanisms to police the breadth of specifications is clearly unsatisfactory. But, ultimately, policing could only achieve so much. Some applicants really will intend to use their marks across a wide range of goods and services, and there is a limit to

⁸ IP AUSTRALIA, TRADE MARKS MANUAL OF PRACTICE AND PROCEDURE pt. 10.5.2.3 (updated Dec. 16, 2020), http://manuals.ipaustralia.gov.au/trademarks/trade_marks_examiners_manual.htm. See also Trade Marks Act 2002, s 32(2) (N.Z.); INTELLECTUAL PROPERTY OFFICE OF NEW ZEALAND, TRADE MARKS ACT 2002 GUIDELINES pt. 3.4 (updated Jan. 1, 2018), https://www.iponz.govt.nz/about-ip/trade-marks/practice-guidelines/current/classification-and-specification/#jumpto-4_002e-broad-specifications-3.

⁹ Cf. IP AUSTRALIA, *supra* note 8, pt. 14.6.2 (updated Dec. 16, 2020).

¹⁰ *Trade Marks Regulations 1995* (Cth), reg 4.4(2) (Austl.); IP AUSTRALIA, *supra* note 8, pt. 14.6.6 (updated Dec. 16, 2020). This is also now the practice in the U.K.: INTELLECTUAL PROPERTY OFFICE, TRADE MARKS MANUAL, *Classification Information* pt. 2.14 (Aug. 23, 2018, updated Jan. 4, 2021), <https://www.gov.uk/guidance/trade-marks-manual/classification-desk-instructions>.

¹¹ IP AUSTRALIA, *supra* note 8, pt. 14.6.7 (updated Dec. 16, 2020). See also INTELLECTUAL PROPERTY OFFICE, TRADE MARKS MANUAL, *The Classification Guide* pt. 3.9 (Aug 23. 2018, updated Jan 4. 2021), <https://www.gov.uk/guidance/trade-marks-manual/the-classification-guide>.

¹² Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark, 2017 O.J. (L 154) 1 (hereafter, “EUTMR”).

¹³ See Case C00005347/1, Trillium Trade Mark (OHIM First Cancellation Division) ¶ 8 (Mar. 28, 2000). See generally ANNETTE KUR & MARTIN SENFTLEBEN, EUROPEAN TRADE MARK LAW: A COMMENTARY ¶¶ 4.313–4.314, 9.52 (2017). See also *infra* notes 40–49 (discussing the impact of the recent *Skykick* litigation in the U.K. and at the CJEU).

¹⁴ See Case C-307/10, Chartered Inst. of Patent Att’ys v. Registrar of Trade Marks, ECLI:EU:C:2012:361, ¶¶ 61, 65 (June 19, 2012).

what offices can reasonably be expected to do to identify illegitimately broad specifications. The bigger concern is that overclaiming does not generally produce any adverse consequence for owners post-registration. Specifically, in cases where a third party establishes partial non-use of the registered mark—that is, where the mark was used in relation to only some of the specified goods or services—the invariable practice is to narrow the scope of the registration, either by excising unused goods or services from the specification or redrafting it. In this way, the tribunal will aim to ensure that the specification corresponds with the scope of the use that has been established.¹⁵ The net result is that there is no incentive for applicants to draft their specifications accurately in the first place. If the mark is challenged, such parties will be no worse off than they would have been had they adopted a narrow specification initially, and in the interim they will enjoy a broader sphere of protection.

The above approach to dealing with over-broad specifications is understandable. In many cases it would be unduly harsh to strike off a registered mark that had enjoyed some use. Applicants cannot always predict how their businesses will develop and some errors in drafting are inevitable, particularly in jurisdictions that have committed themselves to facilitating self-filing. To take a common sort of example, one can understand how a self-filer whose business involves selling goods that are transported in large cardboard containers bearing the mark could end up filing its mark not merely for the goods themselves but also for “cardboard boxes” in Class 16. That there would be no use of the mark in relation to cardboard boxes would only be obvious to a trade mark lawyer, and to strike off the mark in its entirety would seem manifestly unfair. However, examples of this type do not explain why there is no appetite to deal aggressively with clear cases of overclaiming. It is by no means uncommon to find marks entered onto registers with specifications where it is almost impossible to imagine that the applicant could ever have had a good faith intention to use the mark across the full range of specified goods or services, or believe that the overclaiming is the result of mere inadvertence. For example, it is striking that although the non-use provisions under Australian law are drafted in such a way as to allow for a mark to be struck off entirely if partial non-use is established, as far as we can tell no tribunal has ever exercised this power.¹⁶

¹⁵ For consideration of the position in Australia, see ROBERT BURRELL & MICHAEL HANDLER, *AUSTRALIAN TRADE MARK LAW* 352–54 (2d ed. 2016).

¹⁶ *Cf.* *Haigh Austl. Pty Ltd. v. T-Max Austl. Pty Ltd.* (2017) 128 IPR 95 (Trade Marks Office) (Austl.), where this option was canvassed by the applicant for removal, but not acted upon by the hearing officer.

The concern not to overreact to cases of innocent or inadvertent overclaiming also fails to explain why the current approach to partial non-use is to redraft the specification in a “fair manner,”¹⁷ rather than to cut back the specification so that it reflects only the precise use that the owner was able to demonstrate. The current approach means, for example, that a specification for “clothing” might be cut back to “leather garments” in the event that the owner is only able to demonstrate use on leather jackets.¹⁸ In the U.K./EU this approach has been justified by reference to the average consumer. It has been said that the task is not a technical one; it is not a “pernickety” exercise.¹⁹ Rather, the tribunal “must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them.”²⁰ There has, however, been little engagement with why fairness is to be approached in this way. The legal fiction of the average consumer is interposed into the analysis in a way that allows tribunals to sidestep meaningful engagement with the competing policy considerations at play and, above all, engagement with the question of the need to incentivize appropriate trade mark claiming.²¹

Part of the reluctance to adopt a stricter approach when redrafting claims seems to be that tribunals are concerned to arrive at a specification that captures not only the goods on which the mark has been used, but also goods that are sufficiently similar such that use by a third party would cause confusion. This concern has been particularly pronounced in Australia, but the idea that owners are entitled to a zone of exclusivity that goes beyond their actual use has also found a receptive audience in the U.K.²² The difficulty with such

¹⁷ To be clear, we are using this as a shorthand to explain the dominant approach in a raft of jurisdictions. The exact approach to be adopted remains controversial and is an area where, for example, there has been a degree of tension between the approaches adopted by the General Court of the EU and by U.K. courts: *cf.* Case T-126/03, *Reckitt Benckiser (España) SL v. OHIM*, 2005 E.C.R. II-2861, ¶¶ 47–48 *with* *Maier v. Asos Plc*, [2015] F.S.R. 20, ¶¶ 64–65 (C.A.) (Eng.).

¹⁸ *See* *Turok v. Deluxe Holding AG* [2012] ATMO 105 (Trade Marks Office) (Austl.).

¹⁹ *Animal Trade Mark*, [2004] F.S.R. 19, ¶ 20 (Ch.) (Eng.).

²⁰ *Maier*, [2015] F.S.R. 20, ¶ 60. *See also* Case T-256/04 *Mundipharma AG v. OHIM*, 2007 E.C.R. II-449, ¶ 29; *Thomson Holidays Ltd. v. Nor. Cruise Lines Ltd.*, [2003] R.P.C. 32 (C.A.) (Eng.).

²¹ Interestingly, tribunals in New Zealand have been critical of viewing the redrafting exercise from the perspective of the average consumer. *See, e.g.*, *Sky Network Television Ltd. v. SkyFiber Inc.*, [2012] NZHC 3559, ¶ 26 (N.Z. High Ct.). It might be noted, however, that in the final analysis New Zealand tribunals still tend to approach the redrafting exercise in a way that preserves a relatively broad sphere of protection. *See, e.g.*, *Spiritual & Personal Growth Tr. v. Jeunesse Glob. Holdings L.L.C.*, [2018] NZIPOTM 15 (N.Z. Intell. Prop. Office).

²² *See, e.g.*, *Maier*, [2015] F.S.R. 20, ¶ 229. Lord Justice Sales’ judgment was framed not in terms of the need to prevent confusion, but rather in terms of preserving incentives to invest in further development of the business. But much the same difficulty arises, namely, that the infringement provisions in any event carve out a zone of market exclusivity. Indeed, in the EU this zone of exclusivity is particularly broad because of the reach of the antidilution provisions, following Case C-487/07, *L’Oréal SA v. Bellure NV*, 2009 E.C.R. I-5185.

reasoning is that the infringement provisions prevent use on goods or services that are similar or closely related to those for which the mark is registered where use would be likely to deceive or cause confusion.²³ The danger with the prevailing approach is that it allows the owner in infringement proceedings to argue that confusion is likely by virtue of the fact that the defendant's goods are similar to some aspect of the goods covered by the registration, but where there would be no confusion between the defendant's goods and those actually made and sold by the owner/plaintiff.

On top of all of the above problems with the operation of the non-use provisions, decision-makers in many jurisdictions retain a discretion not to narrow the scope of specifications at all in cases of partial non-use if they are convinced that it is reasonable to maintain a broader sphere of protection. In Australia, at least, there has been a surprising willingness to exercise this discretion even in cases where no explanation was proffered for why the specification was drafted in an unduly broad manner in the first place.²⁴

The matters discussed above have not generally been conceptualized as forming part of a broader phenomenon of overclaiming. At most, they have attracted some attention in the context of research into the "cluttering" of trade mark registers.²⁵ Even less attention has been given to a different way in which overclaiming occurs, namely, through the way applicants *represent* their marks. Our general concern is that marks can be represented in a manner that leaves real uncertainty over the scope of protection.²⁶ Perhaps the most common problem is that applicants can choose to register marks with multiple components, some of

²³ See, e.g., Trade Marks Act 1995 (Cth) s 120(2) (Austl.).

²⁴ See *Pioneer Computers Austl. Pty Ltd. v. Pioneer KK* (2009) 176 FCR 300 (Fed. Ct.), where given evidence of use of the mark on audio-visual products and a narrow range of "computer peripheral devices," the court exercised its discretion to preserve the specification for a wide range of computer-related goods (including computers, computer keyboards and computer software). In so doing, Bennett J. emphasized that recent convergence of audio-visual and computer technologies would lead consumers to believe that a computer product sold under the mark would be associated with the registered owner. This conclusion was reached notwithstanding the lack of any explanation for why the owner had applied for such a broad specification in the pre-convergence period. Moreover, where a defendant uses a mark in relation to goods or services dissimilar to those the subject of the registration, Australian law allows the owner to sue for trade mark infringement (Trade Marks Act 1995 (Cth) s 120(3) (Austl.)), and under the tort of passing off and a closely related statutory consumer protection regime (Competition and Consumer Act 2010 (Cth) Sch 2, s 18(1) (Austl.)).

²⁵ See, e.g., GEORG VON GRAEVENITZ, ET AL., CLUTTERING AND NON-USE OF TRADE MARKS IN EUROPE (Aug. 2015), *available at* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/568675/TM_cluttering_report.pdf; GEORG VON GRAEVENITZ, ET AL., TRADE MARK CLUTTERING: AN EXPLORATORY REPORT (Apr. 2012), *available at* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/312092/iprese-arch-tmcluttering.pdf.

²⁶ See generally Robert Burrell & Michael Handler, *Making Sense of Trade Mark Law*, 2003 INTELL. PROP. Q. 388.

which are descriptive or generic. An applicant might seek registration for a mark that contains a picture closely associated with the specified services, words directly describing those services, and other words that on their own would lack distinctiveness. An example we have in mind is a mark consisting of a simple drawing of a house in a red circle, next to “realestate.com.au” in an unremarkable font, placed above the words “Home Loans.”²⁷ Third parties consulting the register might be forgiven for being left in doubt as to the likely scope of protection in such a case. This is probably true irrespective of any steps a registry might choose to take to insist that the owner disclaim the exclusive use of the generic or descriptive elements contained within the registered mark. Concerned traders want clarity, not explanations.²⁸ The situation is made far worse, however, by the fact that current registry practice in the jurisdictions with which we are familiar is that owners will not be required to disclaim the exclusive use of non-distinctive elements of marks. Consequently, there is simply no way of knowing which elements of the mark may or may not have been monopolized. Moreover, as we will see in the next section, during infringement proceedings owners may have an opportunity to make a case that the copying of isolated *prima facie* descriptive elements gives rise to a cause of action, particularly in cases where they can demonstrate evidence of consumer recognition of those elements.

A parallel problem can be seen in cases where the applicant has registered the entire appearance of its goods. To be clear, we are not concerned here with cases where the applicant has sought to register the shape of a product *per se*. Protection of marks of this type has been much discussed, and twenty or so years after the registration of such marks became liberalized, it often remains difficult to secure protection for them.²⁹ Rather, we are concerned with the phenomenon of applicants registering marks that consist of a picture of the goods, thereby including elements of shape and colour, along with the brand name as it appears on the product. For instance, the makers of Nivea deodorant have secured protection in multiple jurisdictions for a mark consisting of the shape of a canister, in a particular shade of blue, featuring the word “Nivea” in white within a darker blue circle.³⁰ This sort of mark will easily

²⁷ See Australian Trade Mark 1852809.

²⁸ Some readers will recognize that this is weak play on Lord Macnaghten’s famous observation that disclaimers used on goods are unlikely to displace the risk of confusion, because “thirsty folk want beer, not explanations.” *Montgomery v. Thompson*, [1891] A.C. 217, 225 (H.L.) (appeal taken from Eng.).

²⁹ See Michael Handler, *Disentangling Functionality, Distinctiveness and Use in Australian Trade Mark Law*, 42 MELB. U. L. REV. 55 (2018).

³⁰ Australian Trade Mark 1777221; New Zealand Trade Mark 1044951; EU Trade Mark 014955389.

pass the distinctiveness threshold: the combination of all of the elements will be considered to be inherently distinctive under any variation of the test, primarily because of the presence of the inherently distinctive brand name. Similarly, in the EU, such a mark would not give rise to a “functionality” objection, because it would not consist *exclusively* of a shape or other characteristic that has a technical effect or gives substantial value to the goods.³¹ What is striking about registrations of this type, as we explain in detail in Section III, is that we are left uncertain as to whether the brand owner might be able to claim that copying of the shape and/or colour, without any use of a similar textual component, would be infringing.

The ability of a trade mark owner to register a mark with multiple features is the most obvious example of how trade mark owners can overclaim through the way in which they represent signs on the register, but the possibility of overclaiming is also built into registered trade mark systems in other, less remarkable or (from the perspective of trade mark practitioners) more quotidian ways. Consider, for example, a trade mark registered in colour. It would be natural to assume that if the owner has chosen to represent its mark in colour then the owner must be seeking to indicate that colour is a feature of its mark. This used to be the law in Australia. In *William Charlick Ltd. v. Wilkinson & Co. Pty Ltd.*,³² the High Court of Australia held that a representation in colour must be treated as creating an implied limitation, such that the owner would be treated as having claimed that colour as a feature of its mark, with important implications for the scope of protection. The current position, however, is different. Under section 70 of the Trade Marks Act of 1995 representations in colour no longer create an implied limitation. Consequently, in the absence of an express endorsement on the register, a trade mark “is taken to be registered for all colours.”³³ This change was introduced with little discussion or comment, yet it has served to introduce a new default rule to the effect that broader claims become the norm.

The position in Europe now needs to be considered in light of the *Common Communication on the Common Practice of the Scope of Protection of Black and White*

³¹ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to Approximate the Laws of the Member States Relating to Trade Marks, 2015 O.J. (L 336) 1, art 4(1)(e) (hereafter, “2015 Directive”).

³² (1913) 16 CLR 370, 373.

³³ Trade Marks Act 1995 (Cth) s 70(3) (Austl.). See *Moroccan Oil Isr. Ltd. v. Aldi Foods Pty Ltd.* [2017] FCA 823, ¶¶ 192–93 (Fed. Ct.) (Austl.).

(“*B&W*”) Marks.³⁴ This Communication from 2014 represents an attempt by the EUIPO and a group of national offices, including the UKIPO, to reach agreement on the scope of protection for marks represented in black and white (or greyscale). Prior to this point, some of the participating offices adopted a “black and white covers all” approach, while others applied a “what you see is what you get” approach. The Communication commits participating offices to the latter interpretation. This means that a senior application in black and white (or greyscale) will not be treated as identical to a junior mark in colour. This represents a welcome attempt to agree a uniform approach to an important issue of interpretation. Moreover, the agreed position is unquestionably superior to the “black and white covers all” approach, let alone the Australian “everything covers all” approach. However, it also needs to be acknowledged that the Communication has its origins in the CJEU’s decision in *Specsavers*.³⁵ As will be discussed in the next section, the overall effect of that decision is to complicate the relationship between the scope of the registration and the trade mark owner’s use, and to do so in ways that increase the opportunities for trade mark owners to recast their scope of protection at the infringement stage.

The other, seemingly mundane, example of how the process of registration routinely facilitates broad claiming lies in the facility to register word marks. Registration of a word mark provides protection over that word written in any normal or commonly available font and presented aurally in any reasonable fashion.³⁶ It is important not to overstate the extent to which the registration of word marks contributes to the problem of overclaiming. Nevertheless, it is striking that registration systems have as part of their normal architecture a mechanism by which owners of word marks can secure protection over a bundle of signs: consumers will only perceive words as they are presented in a particular font or spoken in a particular manner, but these nuances of presentation are stripped away as a matter of course.

Before leaving this section, it is important to acknowledge that there have been developments that cut in the opposite direction to the trend we are describing. In particular,

³⁴ European Trade Mark and Design Network, *Common Communication on the Common Practice of the Scope of Protection of Black and White (“B&W”) Marks* (Apr. 15, 2014), available at <https://euipo.europa.eu/knowledge/course/view.php?id=1791&lang=de>.

³⁵ See Case C-252/12, *Specsavers Int’l Healthcare Ltd. v. Asda Stores Ltd.*, ECLI:EU:C:2013:497 (July 18, 2013). To be clear, *Specsavers* does not require the adoption of the approach set out in the *Common Communication*. On the contrary, it is possible to read *Specsavers* in such a way as to cast doubt on the idea that the EU legislative framework leaves unharmonized the question of how black and white representations are to be interpreted. Whether there is space for the sort of bureaucratic rulemaking initiative that the *Common Communication* represents is therefore uncertain.

³⁶ See, e.g., *Robinson v. Nature’s Gift Austl. Pty Ltd.* [2014] ATMO 96, ¶¶ 22–23 (Trade Marks Office) (Austl.).

there have been cases that have taken a much more robust approach to the problem of overclaiming (even if these cases are not always perceived in these terms). It is notable, for example, that starting with the *Sieckmann* case the CJEU has developed a requirement that representations of a mark must be sufficiently clear and precise to enable third parties to determine the extent of the protection conferred by the registration.³⁷ U.K. courts have employed this principle so as to invalidate an attempt by Cadbury to secure trade mark protection for the get-up of its chocolate bars where purple was said to be the “predominant” colour,³⁸ and by Mattel to register the shape of a Scrabble tile with an unspecified single-letter single-numeral combination.³⁹ In the former case Cadbury’s application was criticized as being an attempt “to register multiple signs with different permutations, presentations and appearances, which are neither graphically represented nor described with any certainty or precision, or at all.”⁴⁰

More recently, the *Skykick* litigation has drawn attention to the problem of unduly broad specifications. This case concerned a dispute between Sky, the well-known European broadcaster, and Skykick, a provider of cloud management software. Sky’s trade marks were registered in relation to an extraordinarily long list of goods and services. In the English High Court Arnold J found that the specifications resulted from “a deliberate strategy of seeking very broad protection of the Trade Marks regardless of whether it was commercially justified.” He explained further that the specifications were overbroad in three somewhat different ways: there was no intention to use the mark at all in relation to some of the goods specified (e.g. whips in class 18); there was an attempt to register the mark for all goods and services in some classes (e.g. class 9, itself a notoriously broad class); and there were instances where broad generic terms had been used (including, most importantly, “computer software”), rather than more specific designations.⁴¹

Unsurprisingly, given the scope of the registrations, Arnold J. held that the defendant’s conduct did fall within the scope of Sky’s registrations. However, he also concluded that the

³⁷ See Case C-273/00, *Sieckmann v. Deutsches Patent- und Markenamt*, 2002 E.C.R. I-11754; Case C-104/01, *Libertel Groep BV v. Benelux-Merkenbureau*, 2003 E.C.R. I-3793; Case C-283/01, *Shield Mark BV v. Kist* 2003 E.C.R. I-14313. For the current position, see EUTMR, art 4(b); 2015 Directive, art 3(b) (a “trade mark” must consist of a sign capable of being represented on a register “in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.”).

³⁸ See *Société Des Produits Nestlé SA v. Cadbury UK Ltd.*, [2014] R.P.C. 7 (C.A.) (Eng.).

³⁹ See *JW Spear & Son Ltd. v. Zynga Inc.*, [2013] EWCA Civ 1175 (Eng.).

⁴⁰ See *Nestlé*, [2014] R.P.C. 7, ¶ 51.

⁴¹ *Sky Plc v. Skykick UK Ltd.*, [2018] R.P.C. 5, ¶ [251].

defendant's counterclaim that the registrations were invalid raised important issues of principle that could not be answered without a reference to the CJEU. The issues on which Arnold J. sought guidance included (i) whether a trade mark can be declared wholly or partially invalid on the ground that some or all of the terms in the specification are lacking in sufficient clarity or precision; (ii) whether an application to register a mark without an intent to use can constitute bad faith; and (iii) if so, whether it is possible to conclude that the applicant made the application partly in good faith and partly in bad faith if the applicant had an intention to use the trade mark in relation to only some of the specified goods or services.

The *Skykick* reference therefore provided the CJEU with an unparalleled opportunity to address the issue of overclaiming via the specification and the CJEU did take steps to set the law on a more positive course. Ultimately, however, gaps in the European legislative framework constrained the CJEU's ability to address the problem (reminding us, as noted in the Introduction, that not all of the change that is required can be produced through administrative or judicial action alone). To explain, it is necessary to say something more about the issues referred to the CJEU. Taking the questions in order, it is important to note that the CJEU in *IP Translator* had already indicated that the requirement that a trade mark registration be "clear and precise" extends beyond the representation of the mark to include the specification of goods and services.⁴² However, this case only told us that where this requirement is not met the application should be refused by the relevant Office (which would normally give the applicant an opportunity to amend its specification). *IP Translator* did not establish that lack of clarity or precision in a specification provides a ground of invalidity. There is, moreover, no obvious legislative hook on which such a ground of invalidity might be based,⁴³ as Arnold J. had pointed out previously in *Stitching BDO v. BDO Unibank Inc.*⁴⁴ Constrained by the legislative framework, the CJEU had little choice but to conclude that a mark "cannot be declared wholly or partially invalid on the ground that terms used to

⁴² See Case C-307/10, *Chartered Inst. of Patent Att'ys v. Registrar of Trade Marks*, ECLI:EU:C:2012:361, ¶ 49 (June 19, 2012).

⁴³ *Skykick* sought to rely on the combined effect of articles 59(1)(a) and 7(1)(a) of the EUTMR. Article 7(1)(a) provides that "signs which do not conform to the requirements of [a]rticle 4" shall not be registered. However, article 4 relates only to the *types of sign* that can be registered. The requirement in article 4(b) that the representation on the Register be clear and precise seems to relate only to the representation of the sign, not the goods or services.

⁴⁴ [2013] F.S.R. 35, ¶ 44 (Ch.) (Eng.).

designate the goods and services in respect of which that trade mark was registered lack clarity and precision.”⁴⁵

The CJEU sought instead to address the problem of overclaiming in the specification through the bad faith ground of invalidity. The CJEU had previously indicated that applying to register a sign without *any* intention of using it as a trade mark might constitute bad faith in certain circumstances.⁴⁶ Subsequent decisions of the General Court gave further weight to the conclusion that no intent to use can constitute bad faith, indicating that registering a mark with the intention of inconveniencing a third party will constitute bad faith.⁴⁷ The CJEU confirmed this line of cases, holding that bad faith included registering a mark with the intention of “undermining, in a manner inconsistent with honest practices, the interests of third parties.” The CJEU also went beyond this, however, and indicated that bad faith would also encompass a broader set of behaviours where the applicant’s objective is “obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.”⁴⁸

The broadening of the bad faith ground of invalidity is welcome, but it is important to be clear about how much has been achieved. First, it is important to note that the CJEU also answered the final question referred to it in the affirmative, that is, the court held that bad faith can operate as a partial ground of invalidity. In this respect also the court’s hands were tied. Any other outcome would have produced unpredictable and potentially dramatic outcomes. This is because trade mark practitioners in Europe have not been accustomed to having to worry about drafting claims narrowly and it appears to be widely accepted that unrealistically broad claims abound.⁴⁹ There is also a genuine need not to penalize self-filers and other market actors who do not have ready access to specialist legal advice. The only safe course of action for the CJEU was therefore to conclude that in the ordinary case the bad faith ground of invalidity will only apply *to the extent* that the applicant did not intend to use its mark across the full range of goods and services. The effect was that when the case returned to the English High Court the specification was narrowed considerably, but Sky still prevailed despite a “deliberate strategy of seeking very broad protection of the Trade Marks regardless

⁴⁵ Case C-371/18, *Sky Plc v. Skykick UK Ltd.*, ECLI:EU:C:2020:45, ¶ 71 (Jan. 29, 2020).

⁴⁶ Case C-569/08, *Internetportal und Mktg. GmbH v. Schlicht*, 2010 E.C.R. I-4871.

⁴⁷ Case T-132/16, *PayPal Inc. v. EUIPO*, ECLI:EU:T:2017:316, ¶ 64 (May 5, 2017).

⁴⁸ *Sky*, ECLI:EU:C:2020:45, ¶ 77.

⁴⁹ *See, e.g.*, Sir Robin Jacob’s Preface to DAVID KITCHIN, ET AL., *KERLY’S LAW OF TRADE MARKS AND TRADE NAMES* viii-ix (13th ed. 2001).

of whether it was commercially justified” so that trade its trade mark rights could be used as “a legal weapon against third parties.”⁵⁰

There are elements of *Skykick* that are welcome, but it is worth noting that it does still not get the EU as far as the position in Australia. Even after *Skykick*, it seems that overclaiming through mere inadvertence or through the casual or unthinking use of unnecessarily broad terms will not constitute bad faith. In contrast, in Australia lack of intention to use will always constitute a partial ground of invalidity, there being no need to establish some additional improper motive.⁵¹ Moreover, the Australian experience suggests that even a fully-fledged no intent ground to use ground of invalidity is only a limited addition to the range of tools that can be brought to bear on the problem of overclaiming. Third parties seeking to establish a lack of intention will face the difficulty of having to establish a negative state of affairs and the Australian case law is littered with unsatisfactory and inconsistent decisions on when the onus of proof shifts to the applicant to lead positive evidence of its intentions.⁵² Still more fundamentally, there is the problem that modern registration systems set out to give businesses a period of quiet enjoyment in which they can build their business and expand into new product markets over time.⁵³ Many applicants do want to expand their business rapidly and a no intent to use ground of invalidity can do little to address problems of overclaiming that flow from irrational exuberance.

III EXTENDING THE REGISTRATION

In the previous section we demonstrated that trade mark registration systems allow owners to frame their rights in ways that are unjustifiably broad. When thinking about the implications of this phenomenon, it must be remembered that, in broad brush terms, trade mark owners are

⁵⁰ *Sky Plc v. Skykick UK Ltd.*, [2020] EWHC 990, ¶ 21 (Ch).

⁵¹ See Trade Marks Act 1995 (Cth) ss 55(1), 59, 88(2)(a) (Austl.).

⁵² BURRELL & HANDLER, *supra* note 15, at 182–85. For U.S. readers, a comparison might be drawn with the statutory rule of abandonment for non-use, which calls for evidence of discontinuing use with an “intent not to resume”. See, e.g., J. THOMAS MCCARTHY, 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 17:11 (5th ed. 2018).

⁵³ This was recognized by Arnold LJ in *Skykick* when the case returned to the English High Court: *Sky Plc v. Skykick UK Ltd.*, [2020] EWHC 990, ¶ 28 (Ch) (“it does not follow that Sky had no commercial justification for seeking protection wider than their actual use. On the contrary, it is well established that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in question in future. Furthermore, as the non-use cases show, even in that context proprietors also have a legitimate interest in seeking a modest penumbra of protection extending beyond the specific goods and services in relation to which use had been proved.”).

afforded rights to prevent not only the use of their marks as registered and on the specified goods or services,⁵⁴ but also the use of similar marks on similar goods or services.⁵⁵ In recent decades, notions of “similarity” have been stretched and expanded. As regards similarity of marks, we now find cases around the world where MYSTERY and MIXERY,⁵⁶ and WACKOS and DOGS GO WACKO FOR SCHMACKOS,⁵⁷ have been held to be similar, as have the compound marks shown in Figure 3.1.⁵⁸



As regards similarity of goods/services, it has been held in the EU that the assessment is to be made in light of the fame of the senior mark as part of the global appreciation inquiry.⁵⁹ In other words, the more famous the earlier mark, the easier it will be to demonstrate infringement, with the consequence that a determination that the goods are “similar” no longer functions as a “gatekeeper” inquiry.⁶⁰ Australia has not gone down this route—a finding that the goods are similar remains a threshold matter. Nevertheless, we find the similarity of goods/services inquiry being applied much more broadly,⁶¹ such that it has been

⁵⁴ Even here, it needs to be appreciated that in countries with “double identity” rules for infringement, the registration of a word mark for “clothing,” in circumstances where the owner has used that mark exclusively in pink cursive font on athletic wear, will enable the owner to prevent the use of that mark in blue lower case script on surgeon’s gowns, even in the absence of any consumer confusion.

⁵⁵ In most jurisdictions there is a requirement that these similarities result in confusion. However, confusion is not a free-floating inquiry but rather colours how the assessment of similarity of goods and services is to be undertaken. See Robert Burrell & Kimberlee Weatherall, *Towards a New Relationship between Trade Mark Law and Psychology*, 71 CURRENT LEGAL PROBS 87 (2018).

⁵⁶ See Case T-99/01, *Mystery Drinks GmbH v. OHIM*, 2003 E.C.R. II-43.

⁵⁷ See *Effem Foods Pty Ltd. v. Wandella Pet Foods Pty Ltd.* (2006) 69 IPR 243 (Fed. Ct.) (Austl.).

⁵⁸ See *Carabao Tawandang Co. Ltd. v. Red Bull GmbH*, HC Wellington CIV-2005-485-1975 (Aug. 31, 2006) (N.Z. High Ct.).

⁵⁹ See Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, 1998 E.C.R. I-5507, ¶ 24.

⁶⁰ We have taken the language of “gatekeeper inquiry” from debates in New Zealand, where the issue remains live, albeit that the New Zealand Court of Appeal has apparently signalled its preference for the gatekeeper approach (i.e., that unless the goods and services are similar as threshold matter, there can no infringement). See PAUL SUMPTER, *TRADE MARKS IN PRACTICE* 87 (3d ed. 2015); *NV Sumatra Tobacco Trading Co. v. N.Z. Milk Brands Ltd.*, [2011] 3 N.Z.L.R. 206 (N.Z.C.A.).

⁶¹ See generally Janice Luck, *Critical Examination of the Concepts of Same Description and Closely Related in Australian Trade Marks Law: What Are the Relevant Tests?*, 29 AUSTL. INTEL. PROP. J. 18 (2018).

indicated that motor insurance services and repair inspection services are probably now to be regarded as similar.⁶² To the expansion of the similarity of goods enquiry we must, of course, add the introduction of protection against dilution. This has served to extend protection to dissimilar goods or services, in circumstances where there is no possibility of consumer confusion.

Changes in the tests for similarity of marks and goods, and the introduction of antidilution protection, have been significant in expanding the scope of trade mark owners' rights. These developments are not, however, our primary concern in this section. Rather, our focus is on the opportunities that are afforded to trade mark owners, post-registration, to recast the scope of their protection in ways that are not obvious or, in some cases, run counter to what they claimed during the registration process.

An extreme illustration of trade mark owners being allowed to recast their scope of protection is to be seen in cases involving shape marks. Specifically, owners of marks that appear on the face of the register to be two-dimensional have at times been allowed to claim exclusive rights over a three-dimensional shape. For example, in Australia the Coca-Cola Co was able to rely on a two-dimensional representation of its "contour" bottle to maintain an action for infringement against a company that was selling cola-flavoured confectionery in a shape reminiscent of this bottle.⁶³ In the U.K. Philips was able to bring proceedings for infringement of a two-dimensional representation of its Philips shaver against a defendant that was manufacturing a shaver of a similar design.⁶⁴ Significantly, these cases were allowed to proceed even though at the time the marks in question were registered there was a prohibition on the registration of three-dimensional marks.⁶⁵ In response it might be argued that there has never been an absolute prohibition on claiming that a three-dimensional representation is similar to a two-dimensional mark. Strictly speaking this is true—it has always been the case that a sign embossed on goods can infringe a word or device mark—but under previous legislation there would have been no question of allowing owners to perform

⁶² See *Austl. Associated Motor Insurers Ltd. v. Austl. Auto. Motor Inspection Ctr. Pty Ltd.* (2003) 60 IPR 92 (Fed. Ct.) (Austl.).

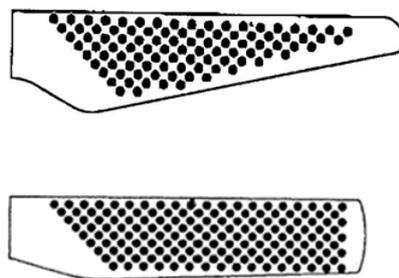
⁶³ See *Coca-Cola Co. v. All-Fect Distribs. Ltd.* (1999) 96 FCR 107 (Full Fed. Ct.) (Austl.). See also *Coca-Cola Co. v. PepsiCo Inc.* [No 2] (2014) 109 IPR 429 (Fed. Ct.) (Austl.).

⁶⁴ See *Philips Elecs. NV v. Remington Consumer Prods. Ltd.* [1998] R.P.C. 283 (Ch.) (Eng.). The opposite conclusion was reached in Singapore. See *Nation Fittings (M) Sdn Bhd v. Oystertec plc*, [2006] 1 S.L.R.(R.) 712 (Sing. High Ct.).

⁶⁵ See *Coca-Cola Trade Marks*, [1986] R.P.C. 421 (H.L.) (appeal taken from Eng.); *Smith Kline and French Labs. (Austl.) Ltd. v. Registrar of Trade Marks* (1967) 116 CLR 628 (Austl.).

an end-run around the prohibition on using trade mark law to obtain a monopoly over three-dimensional designs.

Something should also be said in this context about the move to apply functionality exclusions to seemingly two-dimensional shapes. For example, in its *Yoshida* decision the CJEU held that the European office had been right to look beyond the two-dimensional representation of the handle of a kitchen knife to consider how this mark would be used post-registration.⁶⁶ On one level this is a clearly positive development: it would be absurd to allow trade mark owners the ability to avoid a functionality objection by registering a two-dimensional device and then providing them with a monopoly over the use of a similar sign in three dimensions. However, there is a strong case that an even better approach would be to deny owners of two-dimensional marks any possibility of claiming use over a three-dimensional design (while preserving the “embossed sign” rule as a narrow exception). The current approach means that traders consulting the register can be left genuinely uncertain as to whether the owner of a two-dimensional mark might seek to make an expanded claim to cover use in three-dimensions. Application of the functionality exclusions is all very well, but registries will often find it difficult to assess whether functionality is even in play when confronted with a two-dimensional picture. Consider, for example, the mark at issue in the *Yoshida* case, shown in Figure 3.2.



The examiner realized that the black circles on the picture of the knife handle were not purely decorative; rather, they represented (and thus involved an attempt to claim a monopoly over) a pattern of dimples that is important for grip. Whether the examiner would have reached this conclusion if *Yoshida*'s knives were not so famous must, however, be open to question.⁶⁷

⁶⁶ See Joined Cases C-337/12 P to C-340/12 P, *Pi-Design AG v. Yoshida Metal Indus. Co. Ltd.*, ECLI:EU:C:2014:129 (Mar. 6, 2014). See also Case C-421/15 P, *Yoshida Metal Indus. Co. Ltd v. EUIPO*, ECLI:EU:C:2017:360 (May 11, 2017) (on appeal from the remand decision).

⁶⁷ A similar point can be made about the CJEU's “Rubik's cube” decision in Case C-30/15 P, *Simba Toys GmbH & Co. KG v. EUIPO*, ECLI:EU:C:2016:849 (Nov. 10, 2016), in which the applicant's argument that its surface-level representation of the cube that did not reveal its inner workings could not give rise to functionality concerns was dismissed. See Dev S. Gangjee, *Paying the Price for Admission: Non-Traditional Marks across Registration*

A more significant set of problems relates to the way that courts, in infringement proceedings, have come to give over-broad protection to marks that combine features of shape and/or colour with words and/or logos.

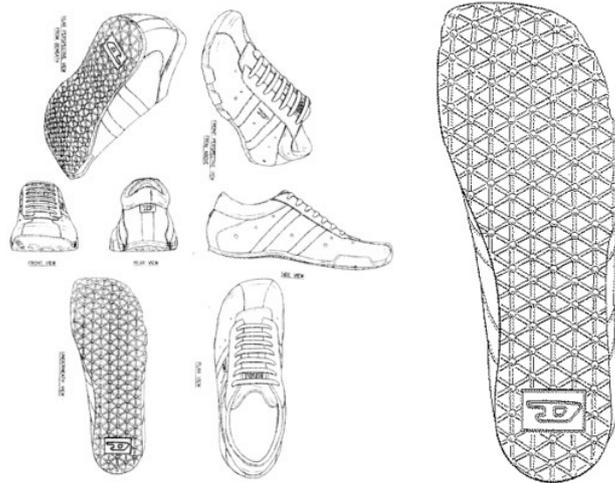
We saw in Section II that it is possible to register a “hybrid” mark that consists of the shape of goods, perhaps in a particular colour, bearing a distinctive name or device (the hybrid mark consisting of a blue canister featuring the “Nivea” logo being a good example). Provided the representation of the distinctive name or device is not obscure,⁶⁸ its presence will mean that the hybrid mark will be registrable. There will be no need to demonstrate that the shape or colour elements are not functional, or that they have ever been used in a source-identifying manner (let alone that they have acquired distinctiveness). The problem then becomes working out how far the scope of rights in a hybrid mark should extend, which is of particular concern where a third party sells goods with a similar shape and/or colour to the hybrid mark, but without adopting a similar brand name.

The Australian case of *Global Brand Marketing Inc. v. YD Pty Ltd.* illustrates the above problem nicely.⁶⁹ Fashion company Diesel had registered two marks, one for the configuration of a shoe and the other for a sole pattern, both represented below in Figure 3.3. At the examination stage, the marks had been considered to be inherently distinctive, undoubtedly because both shapes bore a stylized “D” logo. This meant that Diesel was not required to lead any evidence, pre-registration, that its marks or any feature of them were in fact distinctive, or that it intended to use its marks as represented in a source identifying manner.

and Enforcement, in THE PROTECTION OF NON-TRADITIONAL TRADEMARKS: CRITICAL PERSPECTIVES 75, 77–78 (Irene Calboli & Martin Senftleben, eds, 2018).

⁶⁸ See Case T-580/15, *Flamagas SA v. EUIPO*, ECLI:EU:T:2017:433, ¶¶ 80–81 (Jun. 27, 2017).

⁶⁹ (2008) 76 IPR 161 (Fed. Ct.) (Austl.).



The defendant sold shoes with an allegedly similar sole pattern and overall appearance, but marked with a dissimilar logo. Diesel thus sought to persuade the court that the similarities between the shape elements in the two sets of shoes and sole patterns were sufficient to make out findings of infringement.

Under Australian law, infringing use requires the isolation of a “sign” that is being used by the defendant “as a trade mark.”⁷⁰ The court could have recognized that in dealing with hybrids, great care is needed in unpacking the various signs in play, so as to determine whether a hybrid sign is being used as a trade mark (in this case, the defendant’s shoe shape/sole pattern together with its logo), or merely whether one or more of the constituent elements of the hybrid is being so used. Given the lack of evidence that consumers attributed any source significance to the defendant’s shoe shape or sole pattern, it might have been thought that this threshold requirement would have been an effective way of ensuring that Diesel could not secure *de facto* protection for its shape features alone. However, the court was not alive to these concerns, instead finding that the defendant was using its shoe shape and its sole pattern as trade marks on the flawed logic that these were recognizable elements of the defendant’s goods.⁷¹ The effect of removing any gatekeeping role that “trade mark use” might play in this scenario is that it places inordinate pressure on the “similarity of marks” analysis, which involves courts undertaking a holistic assessment of the two marks in issue. While courts in some jurisdictions have recognized that this test must be applied with sensitivity in cases involving hybrid marks,⁷² this is by no means a universal position. In

⁷⁰ Trade Marks Act 1995 (Cth) s 120 (Austl.). See also Trade Marks Act 2002, s 89(2) (N.Z.).

⁷¹ For other problems with the approach to trade mark use in *Global Brand* and other Australian and New Zealand cases involving shape and hybrid marks, see Handler, *supra* note 29, at 86–88, 95–98.

⁷² See Gangjee, *supra* note 67, at 83–88.

Global Brand, although the court emphasized the prominence of the stylized “D” logo in finding Diesel’s marks to be dissimilar to the defendant’s marks, it did not discount the non-distinctive shape elements of Diesel’s shoe and sole pattern in making its comparisons. On the contrary, it considered that the “essential features” of Diesel’s shoe mark included the cross-hatched pattern on the sole and certain rubber panels on the side of the shoe, and it also emphasized the presence of other design features of Diesel’s shoe.⁷³ Had all or most of these features been present in the defendant’s goods, it is entirely possible that the court would have found the marks to have been similar, and the defendant to have infringed.

What is remarkable, therefore, is that courts in some jurisdictions are clearly prepared to countenance that an owner of a hybrid mark can prevent a third party from using certain features of shape or colour, in the absence of the owner supplying *any* evidence that such features are distinctive. In this way, owners can use the registration system to perform an end run around the in-built limitations of the tort of passing off, under which an owner would have no prospect of success without demonstrating a strong, independent reputation in brand elements such as shape and colour that form part of the owner’s trade dress.⁷⁴ One response to the above is that a court could, in assessing whether two marks are sufficiently similar in trade mark infringement proceedings, demand evidence from the owner that it has acquired distinctiveness in any non-distinctive element of its mark that also appears in the defendant’s mark. Such an approach has been adopted, albeit without much consideration, in cases involving compound device marks that feature both distinctive and descriptive elements. A notable example is the 2013 Australian case of *REA Group Ltd. v. Real Estate 1 Ltd.*,⁷⁵ in which the proprietor of the domain name “realestate1.com.au” for online real estate listings was successfully sued for infringement by the owner of the registered device mark shown in Figure 3.4 for the same services.



It might have been thought that because no feature of the mark could, in isolation, be considered to be distinctive, the court would have been well placed to find that only something close to an exact copy (that is, a mark consisting of a near-identical word and logo

⁷³ See *Global Brand*, 76 IPR at ¶¶ 83, 92, 96.

⁷⁴ See BURRELL & HANDLER, *supra* note 15, at 468–71.

⁷⁵ (2013) 217 FCR 327 (Fed. Ct.) (Austl.).

combination) could meet the criterion of “similarity” and thus amount to infringement. However, an important feature of the litigation is that the registered owner also brought an action for passing off which, while unsuccessful on the facts, gave it the opportunity to demonstrate that it had established a substantial reputation in the words “realestate.com.au” alone. This proved to be influential in the court finding that the registered device mark was sufficiently similar to “realestate1.com.au” for the purposes of the trade mark infringement action.⁷⁶

Something similar can be seen in the CJEU’s decision in *Specsavers*.⁷⁷ The referring court had asked whether, in considering the scope of rights in a device mark registered in black and white, the court could take into account evidence that the owner had developed a substantial reputation in that mark used in a particular colour as a factor that increased the likelihood of confusion with the defendant’s similarly-coloured mark. The CJEU answered this in the affirmative, holding that evidence of acquired distinctiveness in a feature of the mark *as used* “affects how the average consumer of the goods at issue perceives that trade mark, and ... is, therefore, liable to increase the likelihood of confusion or association between the earlier trade mark and the sign alleged to infringe it.”⁷⁸

We are generally sympathetic to the idea that in assessing the similarity of marks for the purposes of trade mark infringement, courts should be able to take evidence of the reputation of the registered mark into account. Our view is that, in many cases, such reputation will make a likelihood of confusion *less* likely: as a matter of logic, a strong reputation will mean that consumers will remember the registered mark in detail, and therefore not be confused by even a slight variation when confronted with the defendant’s mark.⁷⁹ Having said this, there will be cases where reputation will make confusion more likely, such as those where the defendant uses a variant of a well-known mark on complementary goods, so as to make consumers think that the defendant’s use represents an authorized brand extension. While this is unproblematic, what is going on in cases such as *REA Group* and *Specsavers* is more troubling. This is because reputation in descriptive elements within a mark, or reputation in a

⁷⁶ *Id.* at ¶¶ 233, 240–41. However, the Full Federal Court has since cast doubt on the notion that an owner’s reputation can be taken into account in this manner. See *Austl. Meat Grp. Pty Ltd. v. JBS Austl. Pty Ltd.* (2018) 268 FCR 623, ¶¶ 22–43.

⁷⁷ Case C-252/12, *Specsavers Int’l Healthcare Ltd. v. Asda Stores Ltd.*, ECLI:EU:C:2013:497 (July 18, 2013).

⁷⁸ *Id.* at ¶ 37.

⁷⁹ See BURRELL & HANDLER, *supra* note 15, at 404–06; Barton Beebe & C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak?*, 92 N.Y.U. L. Rev. 1339 (2017).

particular form of the mark in use, is being taken into account so as to produce a “different” mark from that which appears on the register, and one that benefits from a more expansive sphere of protection. In *REA Group*, for example, the court effectively disregarded the only feature of the plaintiff’s compound mark that helped make it inherently distinctive (the house logo) and instead privileged the plaintiff’s reputation in the words to such an extent that the mark was effectively treated as if it were for these words alone. By treating the representation as a mere “signpost” to the scope of rights in the mark, with the full scope determined only by reference to how the mark, or elements within the mark, have been used, this approach runs the risk transforming the action for infringement of a registered trade mark into a more general doctrine of unfair competition.⁸⁰ Not only does this destabilize the “information function” of the register,⁸¹ but it also undermines some of the key logics of the registration process. For example, it is widely recognized that questions of distinctiveness ought to be assessed before decisions as to registration are made, and that owners ought not to be able to point to conduct after registration, when they have enjoyed a period of state-conferred market exclusivity, to make a case that features of their marks have become distinctive,⁸² and thus expand the scope of their rights.⁸³ It also needs to be remembered that the registration system is designed to give owners opportunities to increase their spheres of protection by lodging multiple applications, covering differently represented signs. It is hard to see why the courts in *REA Group* and *Specsavers* were so concerned to look beyond the register to construct “different” marks in infringement proceedings, when it was always open to the plaintiffs to have attempted to register marks in those “different” forms in the first place.

Our discussion in this section so far has shown the problematic ways in which courts have been prepared to look beyond the representation of the mark as registered to allow

⁸⁰ See LIONEL BENTLY, ET AL., *INTELLECTUAL PROPERTY LAW* 1040 (5th ed. 2018).

⁸¹ See Robert Burrell, *Trade Mark Bureaucracies*, in *TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH* (Graeme B. Dinwoodie & Mark D. Janis, eds, 2008).

⁸² Admittedly there is a recognition in a number of jurisdictions that if a trade mark lacked distinctiveness at its filing date but had acquired distinctiveness by the time its validity comes to be challenged, the mark should be preserved on the register. See, e.g., Trade Marks Act, 1994, c. 26, § 47(1). Such provisions are, however, to be explained on the basis of the need to avoid consumer confusion and that, after a certain point, the owner should have the benefit of quiet enjoyment. They do not detract from the general proposition that distinctiveness should be established as at the filing date.

⁸³ An additional problem is that a move towards interpreting the scope of rights on an unfair competition model could only operate in a one-sided manner: there would be no possibility of courts, in assessing trade mark infringement, being able to embrace the same safeguards that exist for defendants under unfair competition laws (for example, the defensive doctrine that allows defendants to avoid liability through the use of sufficiently clear disclaimers). On defensive doctrines, see Graeme B. Dinwoodie, *Developing Defenses in Trademark Law*, 13 *LEWIS & CLARK L. REV.* 99 (2009).

owners to broaden the scope of their rights. A similar dynamic can be seen in cases involving the interpretation of specifications of registered marks. We saw in Section II that there are relatively few safeguards in place to prevent the registration of marks with overbroad specifications, or to have these specifications pared back in non-use proceedings. The problem is exacerbated by ongoing uncertainties over the way in which courts will read specifications in infringement actions.

In *Altecnic Ltd. 's Trade Mark Application*, Mummery L.J. in the English Court of Appeal noted that the specification is a “considered statement of the applicant which, on ordinary principles of the construction of documents, has to be read as a whole to determine its meaning and effect.”⁸⁴ However, quite what this means in practice is unclear. At times, courts have indicated that the specification should be construed strictly, for example by reading a term that refers to a specific item as implicitly excluding any reference to other items. For example, they have read terms referring to specific items as explicitly excluding reference to other items, an approach that can be justified, *inter alia*, by the *expressio unius* principle. But at other times, courts have been less willing to apply “ordinary principles of construction” so as to limit the scope of an owner’s rights. A notable illustration of such a principle is the *ejusdem generis* rule, which dictates that general claims should be read as being limited to the same kind of things as those specifically listed or identified. In the trade mark context, this would have the effect of ensuring that a Class 25 specification for “ties, scarves, shawls and other items of clothing in this class” was read so that the “other items” are limited to those similar to ties, scarves and shawls, rather being than a claim to “items of clothing” generally. Such an approach is, however, contrary to the way in which Australian courts are likely to read this sort of specification.⁸⁵ This has the effect that a specification ending with a general claim to “other goods” is likely to be read as giving an owner more expansive rights in both “double identity” cases and those involving “similar goods” than would the case if these words were read restrictively.

A related issue is the extent to which the scope of protection can be determined by reference to the class in which the goods or services have been classified. Support for the view that some weight can be given to the scope of the class in which the mark was registered

⁸⁴ [2002] R.P.C. 34, ¶ 42. *See, e.g.*, *Trident Seafoods Corp. v. Trident Foods Pty Ltd.* (2018) 137 IPR 65, ¶ 66 (Fed. Ct.) (Austl.) (“fish products” not read to encompass all goods containing fish products as an ingredient).

⁸⁵ *See, e.g.*, *Pioneer Computers Austl. Pty Ltd. v. Pioneer KK* (2009) 176 FCR 300, ¶¶ 107–09 (Fed. Ct.).

is to be found in *Altecnic*.⁸⁶ This view gains further support from *Pathway IP Sarl v. Easygroup Ltd.*,⁸⁷ in which it was held that a mark registered in Class 35 for “the provision of office facilities” and “rental of office equipment” could be read narrowly by reference to the scope of the Nice Classification lists for Class 35. There are, however, U.K. cases that cut in the other direction, such that the position cannot be regarded as settled.⁸⁸ The position in Australia is similar. In the case most directly on point it was held that a specification for “thermoplastic polymers (for packing)” in Class 16, a class that covers packaging materials, was held to be limited to a type of plastic packaging material, and not to extend to thermoplastics more generally (which would be classified in either Class 1 or 17).⁸⁹ However, the conclusion in this case sits uncomfortably alongside the outcome in *Nikken Wellness Pty Ltd. v. van Voorst*.⁹⁰ The background to that case was that the plaintiff’s mark had been registered for the service of “the manufacture of magnets for medical purposes” in Class 10, which covers goods including medical instruments. The court accepted the plaintiff’s argument that that the class number should be ignored and the mark was therefore treated as being registered in respect of services.⁹¹ *Nikken Wellness* could, of course, be distinguished on the basis that it deals with a narrow category of cases where there is a manifest error on the face of the register, but there is little in the case itself to suggest that it should be read in such a limited fashion.⁹²

The question of the role the Nice system should play in the interpretation of specifications is not straightforward. This is in no small part because there is a lack of clarity as to the level of knowledge of the system that should be imputed to the person looking at the trade marks register. It must, however, be recognized that a failure to take class numbers into account would allow sophisticated actors to manipulate the system. It would allow them to register marks in such a way as to make them more difficult to find, particularly in cases

⁸⁶ See *Altecnic*, [2002] R.P.C. 34, ¶ 42.

⁸⁷ [2018] EWHC 3608 (Ch) (Eng.).

⁸⁸ See *FIL Ltd. v. Fidelis Underwriting Ltd.*, [2018] EWHC 1097 (Pat), ¶¶ 87–93 (Eng.).

⁸⁹ See *Flexopack SA Plastics Indus. v. Flexopack Austl. Pty Ltd.* (2016) 118 IPR 239, ¶ 74 (Fed. Ct.) (Austl.).

⁹⁰ [2003] FCA 816 (Fed. Ct.) (Austl.).

⁹¹ *Id.* at ¶¶ 40–50.

⁹² See also *Bauer Consumer Media Ltd. v. Evergreen Television Pty Ltd.* (2019) 142 IPR 1, ¶¶ 242–44, 273 (Full Fed. Ct.) (Austl.) (citing *Nikken Wellness*, and emphasizing that “[t]he classification system is primarily a matter of convenience in administration,” but not considering the classification point).

where it is possible to register in an “unrelated” class.⁹³ It would also contribute to the problem of owners being able to construct their rights in surprising ways during infringement proceedings. In particular, it would allow owners to claim that their registration covers goods in other classes. The owner of a registration for “financial services” in Class 35 could argue that its registration extends to tax planning services (which fall in Class 36); the owner of a mark for “gloves for medical use” in Class 10 could argue that its registration covers gloves worn by X-ray technicians (which fall in Class 9); and the owner of a mark for “vehicles” in Class 9 might assert that its monopoly encompasses skateboards (which fall in Class 28) or battle tanks (which fall in Class 13). Indeed, it might be noted that in the U.K. at least it is far from clear that arguments of this type might not be open even if the *Altecnic / Pathway IP* approach becomes firmly established. This is because these cases only go so far as to establish that it “is appropriate to use class number as an aid to interpretation of the specification where the words used in the specification lack clarity and precision.”⁹⁴ How far this principle extends is uncertain—the requirement that the specification must first lack clarity and precision is, ironically, itself somewhat imprecise. The language of “vehicle” can unquestionably encompass skateboards, but day-to-day is much more commonly used to refer to “a machine, usually with wheels and an engine, used for transporting people or goods on land, especially on roads.”⁹⁵ Is the word “vehicle” therefore sufficiently imprecise to make reference to the class number appropriate? Much the same question can be asked about “gloves for medical use.” At its core this language suggests gloves made of latex or some similar synthetic polymers, but it clearly wide enough to encompass gloves worn by X-ray technicians. However, whether this means there is a lack of clarity in the specification is yet to be addressed.

Consequently, we would be supportive of a rule to the effect that the specification must always be strictly construed by reference to the scope of the class in which registration has been secured. Such an approach would not be entirely unproblematic. It might disadvantage less sophisticated actors who use the system and could operate problematically when goods

⁹³ Office practice varies considerably between countries and is not easy to summarize accurately. In broad brush terms, however, Offices that search for conflicting marks will concentrate their efforts on earlier marks registered in the same class or in a “related class.” Similar marks in unrelated classes will therefore very often be missed during examination. It will also be more difficult for third parties to discover marks in an unrelated class as the search tools provided by the Office also direct attention to marks registered in related classes.

⁹⁴ *Pathway IP Sarl v. Easygroup Ltd.*, [2018] EWHC 3608 (Ch), ¶ 79.

⁹⁵ See <https://dictionary.cambridge.org/dictionary/english/vehicle>.

and services are reclassified.⁹⁶ However, any other rule lends itself to the gaming of the system alluded to above. This relates to a concern that is beginning to be aired more generally, about the failure of trade mark law to connect the claims that are made at the registration stage to what occurs in subsequent proceedings. As Dev Gangjee has noted, there is a significant problem with owners pressing the limited nature of the monopoly being sought during examination. If an examiner raises a concern about the presence of descriptive or functional matter in a complex compound mark the owner will play up the importance of any prima facie descriptive components and/or emphasize that they are only seeking to protect the mark in its entirety.⁹⁷ In contrast, at the enforcement stage owners will construct their claims around the elements that match the sign used by the defendant. At the very least, as Gangjee has suggested, we need to allow defendants to rely on the prosecution history to ensure that owners are bound by the representations they made during the registration process as to the scope of protection they are seeking. However, this would only be a partial solution, not least because complex compound marks may sail through the examination process and so generate little in the way of prosecution history on which defendants can rely. A doctrine like prosecution history estoppel could therefore only form part of the necessary response to ensuring that the law develops “an integrated procedure for deciding the proper extent of an IP right.”⁹⁸ For registration-based trade mark systems problems of scope need to be addressed by tackling the problems we have identified.

IV OVERCLAIMING AS A CANDIDATE FOR CHANGE

The problem of overclaiming is a promising candidate for change, but this is not because there is a single reform that can address the problems we have identified. Rather, it is because the reforms that are necessary ought to be relatively easy to implement. As noted in the Introduction, many could be achieved through changes in administrative or judicial practice, and none should be particularly controversial. Take, for example, the problems we have identified with the breadth of specifications. In Australia, much could be achieved by the

⁹⁶ A new edition of the Nice classification system is published every five years, but minor amendments are made annually. Registries generally have the power to reclassify existing registrations, but are under no obligation to do so. *See, e.g.*, Trade Marks Act, 1994, c. 26, § 65 (U.K.); Trade Mark Rules, 2008, rule 54 (U.K.); Trade Marks Act 1995 (Cth) s 82 (Austl.).

⁹⁷ *See* Gangjee, *supra* note 67.

⁹⁸ Mark A. Lemley & Mark P. McKenna, *Scope*, 57 WM. & MARY L. REV. 2197 (2016).

Office using its existing powers to query claims that appear to be unrealistically broad. Ideally, this might be left to the examiner's discretion, as common sense is probably the best guide as to what an unrealistically broad specification looks like. Such an approach is, however, unlikely to find support within IP Australia because of the strong emphasis placed by the agency on designing work practices that ensure consistency between examiners. But even with this constraint much could be achieved. Examiners could, for example, be instructed to query any application that includes an unqualified claim to a broad category of goods or services: computer software, vehicles, playthings, clothing and business consultancy would be among the obvious candidates. In a similar vein they could be instructed to query any claim that contained more than an agreed number of products (say, ten)⁹⁹ or any claim where the applicant has copied a class heading.¹⁰⁰ In other jurisdictions, including the EU, a necessary first step would be to introduce a mechanism to allow the office to police the breadth of specifications. In Europe this would need to be part of a broader legislative review that should seek to clarify both that there is a requirement that specifications be "clear and precise" and that no intent to use operates as a ground of invalidity.

In cases where partial invalidity has been established (irrespective of whether this is in a no intent to use type case or in a case involving no use in the relevant preceding period) tribunals need to develop a stricter approach to redrafting specifications so as to incentivize appropriate trade mark claiming. The discretion not to narrow the scope of the specification at all should only be used in exceptional cases, specifically those where the partial non-use was caused by circumstances outside the owner's control.¹⁰¹

⁹⁹ We appreciate that this would be a crude metric and would create perverse incentives for applicants to resort to broader terminology (as where an applicant claims, say, "leather garments" rather than listing items of clothing separately, as in "leather jackets, leather pants, leather skirts, etc"). However, we would expect many such cases to trigger an inquiry under the first of our suggested work practices.

¹⁰⁰ It might be objected that some classes are actually quite narrow. For example, Class 15 covers "Musical instruments; music stands and stands for musical instruments; conductors' batons." However, even in this case it seems to us inherently unlikely that an applicant would genuinely intend to use its mark across every subtype of musical instrument as well as the other items included in this class.

¹⁰¹ Cf. Agreement on Trade-Related Aspects of Intellectual Property Rights art 19(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1867 U.N.T.S. 299, 33 I.L.M. 1197. In other words, we are suggesting that there is no reason to treat partial non-use cases differently to cases in which there has been no use of the mark at all. At present there is a strong tendency in many jurisdictions to treat owners of marks that have been used for some of the specified goods or services much more sympathetically than owners of marks that have not been used at all. In large part this flows from a (misplaced) desire to provide owners with a registration that is sufficiently broad to cover potentially confusing uses, a role already performed by the expanded infringement provisions of modern trade mark statutes. A further consideration in many cases appears to be a recognition that it can take time to grow a business and that owners should be allowed to expand their product range over time. There is, however, no legislative basis for treating owners more favourably in partial non-use cases and courts do not generally require proof that the owner has a clear intention to expand its product range in the near future.

Turning to the ways in which trade marks are presented on the register, it has been seen that the single biggest problem is that owners are able to register signs with multiple components and that this can create significant uncertainty as to the scope of protection. There is no single solution to this concern either, but a series of interventions could alleviate the problem. Perhaps the single most important development would be the (re)introduction of mandatory disclaimers. This would help provide defendants with much clearer indication as to what parts of a mark remain in the public domain. Moreover, the process of the Office requesting a disclaimer and the subsequent correspondence this is likely to generate would also give more bite to the introduction of a prosecution history estoppel-type doctrine; at least in contrast to the position at the moment, where a complex compound mark may well fail to generate any relevant prosecution history. A suite of other seemingly minor or technical changes would also be desirable. These include the universal adoption of the “what you see is what you get” approach to colour marks, and the development of a clear understanding that the “malleability” of word marks is limited to normal and reasonable modes of representation and does not extend to highly stylized forms.¹⁰² The other reform in this vein that we have canvassed, albeit a reform that relates to the interpretation of the specification rather than the sign, is the introduction of a rule to the effect that specifications must *always* be interpreted by reference to the scope of the relevant Nice class.

The reforms we are suggesting may not have the immediate appeal of more radical reform, but taken together they would effect real change in how trade mark systems operate. Moreover, the technical nature of the reforms we are proposing is precisely what makes the problem of overclaiming such an attractive target for change.

¹⁰² There is already some authority in Australia to this effect: *Robinson v. Nature’s Gift Austl. Pty Ltd.* [2014] ATMO 96, ¶¶ 22–23 (Trade Marks Office).