



QUALCON 2009
CASE STUDY
AOQ logo Registration
Dealing with IP Australia



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Biography

Craig is the President of Australian Organisation for Quality Inc and sits on the Council Australian Organisation for Quality (SA) Inc. He has been employed in positions of quality management and business improvement where he worked with functional areas to assist them in the improvement of their systems and process. He enjoys working in strategy rollout and business planning. He uses knowledge management, Six Sigma and Lean methodologies as an effective method to improve the understanding of business improvement philosophy. More recently, Craig has entered the consultancy market and in this role aims to improve businesses in various industries and sizes



Abstract

This paper is provided not as a research paper but as a précis of a real case of the process that AOQ Inc undertook to defend the rights to the AOQ logo as its trade mark and oppose the submission by another organisation to steel the industry good will developed as a result of using our logo.

Our lessons serve as an example to others in developing their business plans and seeing through actions.

General Definition and origin of trademarks

A trademark is a word or symbol adopted to cause immediate identification of the source for goods and or services which inspires trust, admiration, and loyalty with a perceived level of quality. Trademarks originated in the Middle Ages when craftsmen and merchants wanted to differentiate their products or services from those offered by competitors and counterfeiting of trademarks soon followed.



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Importance of a Trademark

A trademark is very important to a business or organisation because the general public identifies the mark with the provider of good and /or services. This means the general public equates the mark with the reputation of the goods and/or services. An enterprise's trademark can frequently be its most valuable asset. Ironically, it is frequently taken for granted because the owner doesn't know any better.

The opportunities for expansion, franchising, and e-commerce in today's global economy make brand recognition and brand integrity more important than ever.

Has your organisation taken the necessary action to insure the integrity of its trademark by registering it?

Background to AOQ Inc. Logo Registration

In the years preceding the registration of the AOQ Logo with IP Australia (back to 2000 AGM), there had not been any action taken at an AGM or minutes of an AGM that there was a dire need to register the AOQ Logo. The corporate logo was developed in 1993 and had been used since then under established rules up to now.

The first indication that there was trouble on the horizon for AOQ Incorporated manifested itself in or around 2004/2005 when the AOQ logo on the Queensland Gold Award was changed and the band with Quality inserted was dropped from the profile. The second sign was that AOQ Queensland openly defaced the AOQ logo used by them under Copy right agreement implied or other by dropping the red Band with Quality inserted and displaying this facsimile on their website and artifacts. Both of these events were let through to the keeper. Correspondence at that time indicates South Australia was not in agreement of this change but no action was taken. We were ignorant of the pending legal issue because AOQ QLD was a member of the federation and not seen to be a threat.

In 2005 there was discussions held at one of AOQ council meetings to register the logo. No action was taken and the executive at that time did not follow this action through.



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IP Australia

The IP Australia website suggests that ‘a registered trade mark gives you the exclusive right in Australia to use it as a brand and to legally stop imitators. Unlike a business name, a registered trade mark can provide legal protection for your brand and enable you to stop others from trading with it.’

Copyright on the other hand is also a form of protection but is not related to the use of your brand but rather the artistic license you have over the development of your brand image. Therefore whilst copy right can protect your investment from a development perspective, it does not protect you from a trading or business perspective.

AOQ Inc. Legal Position

In summary, the business entity known as Australian Organisation for Queensland Incorporated registered a logo with IP Australia in 2007 that was identical to that of AOQ Inc. with the red band and inserted word “Quality” removed. AOQ Incorporated, your national organisation took an action to register opposition to this registration and intern registered its own logo.



In response Australian Organisation for Queensland Incorporated registered its opposition to this registration as was expected at that time.



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Trademark registration protection

In Australia, once a trade mark is registered, it is protected in all Australian states and territories for an initial period of ten years. If international registration is required, the trade mark must be registered in each country in which you want protection. It is important that the registrar is aware that registration of a business name, company name or domain name does not in itself give you any proprietary rights - only a trade mark can give you that kind of protection as is suggested on the IP Australia website. In order to ensure you have exclusive use of your name now and in the future throughout Australia by registering your business name as a trade mark.

It is this registration of your trade mark in a particular territory, ie Australia, the USA, China etc., you obtain legal rights that can allow you to prevent others from making unauthorised use of conflicting marks, labels or signs (such as names, marks, logos, or domain names) in that territory. Depending on the applicable law, the precise rights vary between countries

It is important to know that if you apply to register your trade mark in a particular country, then your trade mark should be found in searches covering that country. Accordingly, applying to register a trade mark can reduce the risk of others subsequently adopting conflicting marks. This can reduce the chance of disputes arising in the first place.

Some trade mark offices, including the Australian IP Australia Office, examine new trade mark applications to see whether they conflict with earlier trade mark applications or registrations belonging to others. If you have applied to register, or have registered, your trade mark, then these offices should refuse later applications filed by others for conflicting marks. If you do not apply to register your trade mark, it will normally be left to you to discover whether there are relevant applications or registrations, and to take appropriate action, such as commencing oppositions or cancellation proceedings, if you have any grounds to do so.

A particularly important reason for registering your trade mark in Australia, you do not automatically acquire rights in a trade mark just by starting to use it and this is the important lesson AOQ Inc found out during the legal process. If you adopt a trade mark without registering it, you could be vulnerable to anyone who registers a conflicting trade mark after your use began. Even though you began using your mark first, they might be able to rely on their registration to prevent your continued use (forcing you to incur the costs and inconvenience of re-branding) and to obtain other remedies against you, such as damages.



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Ramifications of poor management of our past opportunities

AOQ Inc was very close to losing the mark which was developed in 1993 and used in general since that time. It was only because we were able to produce evidence that was far stronger than our opposition that the mark is registered in our favour today. It was AOQ Inc and the federation that had developed the reputation in Australia, not a past entity of the federation. In many countries, including Australia and which our case was ultimately won on is the fact that, it can be possible to acquire some rights in relation to an unregistered trade mark if the trade mark is (very) well-known in the relevant country. However, very few trade marks are sufficiently well-known for this to be applicable.

As I and the AOQ Inc Council identified, Trademarks and the registration and legal processes are complicated. AOQ Inc. desired to preserve your trademark and found that when dealing with this system, the engagement of an IP law firm was likely to be our only opportunity of both presenting a professional and well structured case and ultimately being successful in our opposition and our registration. At this time AOQ has not taken action to register the business name as a trade mark, unlike Australian Organisation for Queensland Incorporated which has.

Register your trademark.

The thing you can do to preserve your trademark is go through the right channels for registering it and making it legally your trademark. Whilst using an IP Lawyer is more expensive, this would be my recommendation as you can be assured of following process and utilising preformed rapport existing with IP Australia. A skilled trademark attorney will write up your application so that your trademark is accurate, and you have the fullest amount of trademark protection possible



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Use your trademark properly.

Understand that proper use of your trademarks and service marks. This is critical to preserving your rights, whether or not you've registered your brands, you have to do the following to preserve your trademark.

1. Use your trademark directly on the subject goods. It is a good idea to use your trademark in your advertising. Just using it in advertising is not enough to preserve trademark rights. It is your trademark, use it wherever you can.
2. Do not use your mark as a noun. Using your trademark the right way is a big part of preserving your rights.
3. Distinguish your mark from other text. Do something, anything to set apart your trademarks from the surrounding text of your marketing materials.
4. Identify your marks with a "TM"
5. Do not pluralize your trademark. Instead pluralize the common noun. For example, say, "I own two Laz-E Boy recliners", not, "I own two Laz-E Boys."
6. It is important that you do not use your trademark as a verb. For instance, even XEROX cannot xerox, it can only photocopy.
7. Another important thing to understand with trademark use is that when to use "TM". Use the "TM" symbol after your trademark.
8. Establishing a style guide so that no matter what is published from your company, it will be the same. A style guide is going to ensure that whenever anyone uses your trademark that they use it the right way so that you preserve the rights to it. In order to preserve trademark rights, all trademarks must be used consistent with these guidelines, so make sure those guidelines are known.



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Keep your trademark registration up to date.

Trademark paperwork and renewal are sometimes hard to track. Once your trademark is approved and issued, your registration is stored in a software database. IP Australia has a record of your trademark, but that does not mean they will inform you that your trademark is about to expire or of any changes in trademark law that may apply to your mark. So, in order to preserve your trademark you need to be responsible about staying informed about these things. Failure to maintain trademark protection can result in the loss of your registration and valuable rights. To prevent this from happening, you want to stay informed, and not let your trademark expire, but stay on top of renewals. Frequent checking with the IP Australia about trademark laws is wise.

Watch others.

Monitor your trademark and others to ensure that your trademark is first being used correctly, and second is not being infringed upon. Small and medium-sized enterprises don't always have the expertise in-house to monitor their trademarks against infringement, and do not feel the cost is worth hiring outside help. However, without proper processes and procedures in place, how can a company ensure the protection of the IP it has worked so hard to create? Getting a trademark is a process, and it costs money, you do not want to waste that by not employees the right protection of your trademark through monitoring. One of the best things you can do is use the proper patent and trademark notices on products and corporate communications. Businesses should also broadcast their rights wherever possible. This means in advertising, conferences, press releases and more. Next, you want to make sure that the details of your trademark portfolio are kept up-to-date, and are posted on your website so that others are aware of your rights. Be creative in promoting public knowledge of your trademark in order to discourage infringers. Next, be sure to register trademarks to cover every aspect of each product's use and seek to assert your rights wherever possible, so that you can preserve them. Ignorance is no excuse, but it could cause you some problems. Make competitors aware of your IP so that they do not unknowingly infringe.



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Why is it important to register a trademark.

While there are several advantages to registering a trademark, conspicuously absent from the list of benefits is the ability to acquire a trademark. You acquire a mark in Australia by using it, not by registering it. Registration, then, has everything to do with enhancing the rights already granted by virtue of using the mark. However, many of these advantages are only available to marks that are registered on the Principal Register as opposed to those registered on the Supplemental Register. In order to qualify for registration on the Principal Register a mark must be: (1) in use; and (2) distinctive. Marks registered on the Supplemental Register may later be listed on the Principal Register once they meet these requirements.

Conclusion

Each of the points raised in this case study directly relate to one or more lessons learned by AOQ Inc. over the past 18-24 months.

AOQ Inc. would like all of its members to ensure that they adequately consider their position and plan in regards to registration of their IP in whatever form it is in.

References

www.ipaustralia.gov.au

Australian Organisation for Quality Inc Archives