



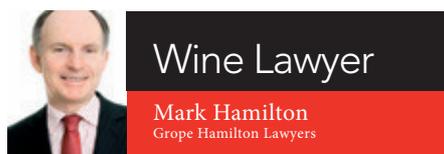
Infringement of trademarks on the internet

A whole new body of law emerging

DOING BUSINESS over the internet has significant potential implications for wine producers who own trademarks registered in Australia because of the possibility of inadvertent infringement of trademarks registered in other countries. Winery internet sites in Australia are proving to be popular websites – enjoying significant international site visits. This trend will continue.

Many trademark owners do not fully appreciate that when they begin trading over the internet, that they are entering a global marketplace. Registration of a trademark in Australia does not give protection from possible infringement of a similar mark in another country. If a wine producer offers goods for sale via the internet into a country where someone else owns a trademark over the same words, then the wine producer may be sued for infringement.

The question here is whether the offer will be construed as being made in Australia, where the trade mark



is registered, or where the purchaser resides overseas, where (in our scenario), it is not.

Even though local and (particularly) overseas wine customers previously proved reluctant to use e-commerce to actually order and pay for wine over the internet, wine is a major hobby and passion for an increasing number of people around the world. Consumers trust in e-commerce is growing worldwide and e-security systems are vastly improved.

Wine consumers around the world are increasingly becoming 'international' in their wine purchases and are increasingly using the internet as a means to 'visit' the wine producer, to access information about the producer, and to potentially make contact and order wine.

Rather than an 'e-commerce' transaction with credit card transactions over the internet, the actual transaction might take place by email or on the phone – independent of the website – once initial contact is made through the website. These sales are clearly occurring in Australia.

This trend is likely to expand rapidly as Australian wine exports expand – the world wine market for premium wine is expanding. An increasing amount of wine packaging exported around the world contains reference to website details.

By making the website available – and selling wine to customers in overseas markets, the wine producer is offering for sale wine in that overseas marketplace – potentially in breach of some other existing trademark in that country. A whole new body of law will emerge on this issue over the next two decades.

Trademark owners need to be aware of the potential risks they face when

trading over the internet and should seek legal advice on the best ways to avoid or minimise those risks.

Wine producers should, in particular, seek legal advice if they receive notice from an overseas trademark owner alleging that they are infringing their trademark via the internet.

Wine producers who hold trademarks in Australia and who are contemplating trading over the internet should consider the potential benefits for their business of applying for registration of their trademark overseas using the Madrid Protocol if they do not already have trademarks registered in the overseas market where internet sales are likely to occur.

If a wine producer wants protection for the trademark overseas then there are two different ways the Australian trademark owners can seek trademark protection overseas.

An application can be filed directly with each country, or a single international application can be filed through IP Australia nominating the countries in which protection is required. This single international application operates under the Madrid Protocol and there are more than 50 member countries party to the Madrid Protocol.

If you wish to find out more about international applications then you should obtain a copy of IP Australia's publications – Registering an International Trade Mark – the Madrid Protocol in Brief and the International

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Trade Marks Application Kit – Filing under the Madrid Protocol. You can obtain copies of these publications from the IP Australia website at www.ipaustralia.gov.au or from your state office of IP Australia.

Upon advertising of trademark applications in Australia, trademark owners will often receive unsolicited documents from overseas companies which offer for a charge to register trademark information overseas for the implied (as opposed to stated) purpose of protecting trademark rights. Some of

these companies identify themselves as:

- Company for Publications and Information Anstalt, Liechtenstein;
- Globus Edition SL, Palma de Mallorca, Spain;
- Company for Economic Publications Ltd, Vienna, Austria;
- INFOCOM, Schaan, Switzerland; and
- IT & TAG, Switzerland.

These companies send documents resembling invoices to trademark owners which offer “entry” of trademark details in an annual publication. They are usually sent after the trademark details have been advertised in Australia.

These companies have no official or governmental authority.

The service they offer does not provide any official trademark registration or trademark rights in Australia or any other country – wine producers are best advised to concentrate their scarce resources in building up a regime of trademark protection for their brand direct in overseas markets through their lawyers or trademark attorneys.

About the author:

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