

Ensuring your soft drink brands sparkle not fizz – Trade mark tips

Australian Beverages Council Limited



Sharon Givoni
Principal, Sharon Givoni
Consulting

Tim Pethick, Chief Executive Officer of Nudie Foods Australia Pty Ltd recently commented that “brands are not what’s they are who’s”. This statement rings very true in the world of soft drink branding whereby often the brand name is very much wrapped up in the “personality” of the brand.

Many successful Australian soft drink brands are the ones that we have grown up with such as Schweppes, Coca-Cola, Pepsi, Solo, Fanta and TAB.

A brand that stands

The strongest form of legal protection you can have for your brand in Australia is by registering it as a trade mark. While trade mark registration is not compulsory, it can enable you to stop third parties from using “deceptively similar” or “substantially identical” names in relation to the goods or services for which you have registered your mark.¹

If you have not obtained a trade mark registration, to protect your brand from “copycats” you will generally need to rely on what’s known as the law of “passing off” or proving misleading and deceptive conduct (under legislation such as the Trade Practices Act). This generally requires you to demonstrate that you have a reputation in the

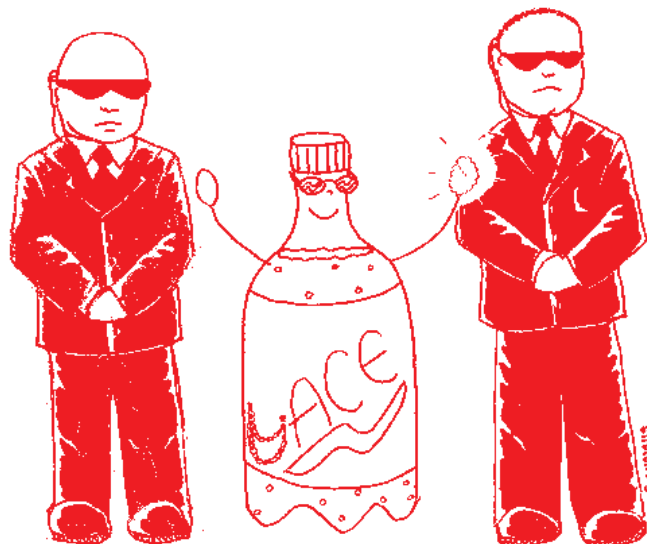
brand and the use of the brand by someone else is likely to cause deception or confusion. This can be a costly and time consuming process.

Having a trade mark registration also means that you can display the symbol ® beside the brand and this can deter others from copying it for their own beverages or similar products.

Business name and company name registration

It might be the case that you have the brand name that you use for your brand also registered as a company or business name. For example the name “Coca-Cola Australia” is registered as a business name in New South Wales and “Coca-Cola” also appears as part of the name of the public company Coca-Cola Amatil Limited.

It is important to realise that business name and company name registration are essentially administrative in nature. It is a legal requirement to register the business name that you are trading under, so that people can identify who is carrying on the business. Australia-wide company names, which are administered by the Australian Securities and Investments Commission, do not give you any proprietary rights in the name.



¹ Subject to factors such as someone else having used it honestly and concurrently with you or prior and continuous use but these examples are generally the exception rather than the norm.

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In summary, if you have a distinctive and valued brand name for your soft drink the strongest form of protection is registering it as a trade mark.

A Trade Mark Registration

Distinctiveness – make the name unique!

For a name to be registrable it must *distinguish* your goods or services. If the brand is descriptive for example, then the Trade Marks Office will not allow you to register it as this would give you a monopoly over something that other traders might have a legitimate need to use. For this reason, drink names such as TONIC WATER, LEMONADE and GINGERALE can not be registered on their own because over time they have become generic in the soft drink industry and are descriptive. Compare them to the brands SOLO, SPRITE, PEPSI and FANTA which have been protected as trade marks from the time of their very first use.

A fine line – The Cranberry Classic Case

It might not always be clear cut at the outset whether a brand you choose is descriptive or distinctive and whether it in fact operates as a brand name at all.

For example, in February 2000, a Federal Court judge was called upon to consider the question of whether the name CRANBERRY CLASSIC (applied for Ocean Spray Cranberries Inc.) could be protected as a trade mark for "fruit juices, fruit drinks and soft drinks". Ocean Spray's lawyers argued that the Cranberry Classic name was "alliterative, a coined combination of words" which were *not in common use*.

The judge however took the view that other cranberry drink manufacturers might wish to use the combination of the two words in the future as they are descriptive and accordingly declined to allow the trade mark registration.

Is CRANTASTIC a fantastic trade mark?

In light of the above decision is it interesting to note that the mark CRANTASIC, registered by

The Sunraysia Natural Beverage Company Pty Ltd for non-alcoholic beverages and fruit juices is distinctive enough to achieve trade mark registration. Despite the use of the prefix CRAN it is a coined term name that has no directly descriptive meaning.

RUBY'S RED

Still on the subject of fruit, it is interesting to note that Ocean Spray successfully opposed Sunraysia Natural Beverage Company Pty Ltd's trade mark application for the mark RUBY'S RED.

In the Trade Marks Office hearing on the matter, Ocean Spray argued that the words were generically used in the industry and did not therefore meet the distinctiveness requirement for trade mark registration.

The Delegate of the Registrar of Trade Marks who heard the matter agreed and refused to register the mark on the basis that the words RUBY RED are a descriptive term for a kind of grapefruit and therefore other fruit juice makers would legitimately wish to use it to describe their own fruit juices. The fact that Sunraysia had added an apostrophe and an "s" after the word RUBY was not considered to be distinctive enough addition to make the mark registrable in its own right.

Maintaining your brand

Industrial designer, Hector Lan once famously stated that: "Machines wear out, cars rust, people die, but what lives on are the brands."

Once you have obtained a trade mark registration the registration needs to be maintained and managed.

Below are some handy tips on how you can do this:



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Handy trade mark safeguarding checklist

Below is a list of some trade mark tips to ensure that once you have protected your brand as a registered trade mark it doesn't lose its sparkle or bubble well into the future:

- Trade mark law is based on a "use it or lose it" philosophy. If you do not use your registered marks, third parties may challenge the marks on the basis of non-use.
- Trade marks should never be used in a generic sense as they may become vulnerable to removal from the Trade Marks Register. A good rule of thumb is to use your trade mark as adjectives rather than verbs or as nouns (for example, "SOLO® soft drink" (correct use), rather than "Have a Solo").
- Subject to continuous use, trade mark renewal every ten years is crucial. Australian icons such as Arnott's' parrot image have been registered since the Trade Marks Office first opened in 1906.
- You need to ensure that you use your trade marks in the same form in which they are registered. Changing a minor aspect of the mark might impact on the validity of their registered trade mark rights. This may necessitate the need to have some sort of monitoring process in place, particularly for companies with very large trade mark portfolios where the brands are continuously "revamped";
- Using the "®" symbol next to the mark is advisable if the mark is *registered* as a trade mark in Australia. Care should be taken that marks bearing the ® symbol are not used on goods exported to countries in which the trade mark owner does not have registered rights in that country. (Note that it is against the law to use this symbol if the mark is not registered in Australia).
- If you are considering extending use of a brand or mark to additional products in the foreseeable future (such as foods or services), it is important that additional trade mark protection is considered.
- If you are using more than one trade mark, make sure that the additional trade marks are afforded proper recognition by positioning and by the use of trade mark symbols. Advertising should also direct attention to the trade mark character of the added marks (for example, by setting out the trade mark in quotation marks and separately from the main body of the marketing material);
- If a particular element your "house" mark is used as a key identifier of the mark then you might want to take advantage of the fact that consumers immediately recognise it as coming from a particular source because of its well established reputation. This has been done by Societe Des Produits Nestlé's registered trade marks include NESTEA, NES-QUICK and NESCAFE and more recently, BOOST has done with its BOOST marks by using BOOST as a suffix, for example it has registered the marks Fast Lane Boost, Bone Boost, Vita.Boost, Immuni.Boost, Slimmer's Boost, Energiser Boost as well as, of course, the house mark BOOST for juices and The Coca-Cola Company has registered the marks FROZEN COKE, CHERRY COKE, COKE CLASSIC and ENJOY COKE as well as the house mark COKE for non-alcoholic beverages

** Sharon Givoni is a Melbourne-based lawyer and principal of the law firm Sharon Givoni Consulting. She can be contacted on 03 9534 9330 or 0410 557 907.*

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