



Date: 7th June 2015

Q245

Taking unfair advantage of trademarks: parasitism and free riding

Responsible Reporters: by Sarah MATHESON, Reporter General John OSHA and Anne Marie VERSCHUUR, Deputy Reporters General Yusuke INUI, Ari LAAKKONEN and Ralph NACK Assistants to the Reporter General

National/Regional Group	Australia
Contributors name(s)	Peter HALLETT, Len HICKEY, Michael SIEGFRIED, Anja BARTELLS and Carolyn HARRIS
e-Mail contact	c.harris@watermark.com.au
Date	21-05-2015

I. Current law and practice

1) Do the laws of your jurisdiction provide for protection against:

a) the taking of unfair advantage of trademarks as defined in these Working Guidelines (see paragraphs 26) and 27) above); and/or

no

Please comment:

Background

The Working Guidelines define^{[1][#_ftn1]} “free-riding” as use of a third party trade mark:

- that takes advantage of the reputation or distinctive character of the mark; and
- in a manner that is “unfair”.

It is understood that Question 245 is primarily concerned with “non-traditional” protections against free-riding that do not require a likelihood of confusion to be established.^{[2][#_ftn2]}

The following matters are explicitly outside the scope of Question 245:

- Protection for reputed or well-known trade marks, through dilution that causes detriment to distinctive character of the mark.^{[3][#_ftn3]} However, where taking unfair advantage is characterised as a type of dilution, this is within the scope of the question.^{[4][#_ftn4]}
- What constitutes the relevant public.^{[5][#_ftn5]}
- Protection of major sporting events and ambush marketing.^{[6][#_ftn6]}

- Available relief.[7]

There is currently no specific form of protection under Australian law against a third party trade mark being used in a way:

- that takes advantage of a reputation or distinctive character of the mark; and
- in a manner that is unfair (but that does not necessarily involve a likelihood of confusion).

There is no generalised tort (and otherwise no general cause of action) for “unfair competition” or “unfair trading” in Australia in the sense contemplated by the Working Guidelines.[8][#_ftn8]

[1][#_ftnref1] Working Guidelines [27]

[2][#_ftnref2] Ibid [3]

[3][#_ftnref3] Ibid [2]

[4][#_ftnref4] Ibid [28]

[5][#_ftnref5] Ibid [30]

[6][#_ftnref6] Ibid

[7][#_ftnref7] Ibid [32]

[8][#_ftnref8] *Moorgate Tobacco Co Ltd v Phillip Morris Ltd (No.2)* (1984) 156 CLR 414, per Deane J at 439-440; *Victoria Park Racing and Recreation Grounds Co Ltd v Taylor* [1937] HCA 45, per Dixon J at [5]; *Moorgate Tobacco Co Ltd v Philip Morris Ltd* [1984] HCA 73, per Deane J at [40]; *Campomar Sociedad Limited v Nike International Limited* [2000] HCA 12 at [3]

b) use that you consider similar but outside the scope of the definition in these Working Guidelines?

yes

Please comment:

Some protection is provided under Australian law for similar uses. However, for reasons described earlier, the following forms of protection are beyond the scope of the Working Guidelines as they all require the demonstration of a likelihood of confusion.

- **Passing off - protects against injury to business goodwill**[#_ftn1] Passing off provides protection against use of a third party trade mark or trade get-up in a manner that misrepresents an association between a free-rider and the third party’s reputation in the mark. An action in passing off is distinguishable from an action under the Australian consumer protection legislation (ACL - see below) in that it is primarily the business interests of a trader that an action in passing off is designed to protect. By contrast, an action brought under the consumer protection legislation is designed to protect consumers generally and thus the broader public interest.
- **Sections 18 and 29(1)(g)-(h), Australian Consumer Law, Schedule 2 to the Competition and Consumer Act 2010 (Cth) - protects consumers**[2][#_ftn2] Provides protection against the use, in trade or commerce, of a third party trade mark that is misleading or deceptive or is likely to mislead or deceive

• **Trade Marks Act 1995 (Cth) section 120(3) - protects well known registered**

marks^[#_ftn3] Provides protection against infringement from use of well-known registered trade marks for goods that are not of the same description or not closely related services. The threshold for establishing the requisite reputation is generally considered to be high. Further, there is some uncertainty as to whether the mark needs to be generally well-known or only well-known in a specific market (consumers of the goods/services of the registered trade mark owner). Section 120(4) provides that in deciding “whether a trade mark is well known in Australia, one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason”

[1][#_ftnref1] *Campomar* at [108].

[2][#_ftnref2] *Campomar* at [108]. See also at [97]: Section 18 ACL is based on legislation that has “encouraged manufacturers to compete vigorously without adopting restrictive practices and to observe prescribed standards of conduct in their dealings with consumers.”

[3][#_ftnref3] See also TMA Pt 17 - Defensive Marks

For the questions below, if b. applies either separately or in addition to a., please make that clear in any relevant answer.

2) What is this protection called, and is this a definition developed in case law or found in a statutory provision? If such protection is characterised as a form of protection against dilution, please state this and provide any explanation as to the basis for such characterisation.

As set out above, the possible forms of protection are as follows.

- Tort of passing off - a common law action
- An action for misleading and deceptive conduct under section 18 and/or section 29(1)(g)-(h) of the Australian Consumer Law, Schedule 2 to the *Competition and Consumer Act 2010* (Cth) - a statutory cause of action
- An action for registered trade mark infringement- breach of section 120(3) of the *Trade Marks Act 1995* (Cth)

There are some similarities between an action in passing off and an action under sections 18 and 29 of the ACL, however they are distinct forms of action and an action under section 18 or 29 is not simply a statutory form of passing off.

Some differences are as follows:

Passing off	ACL action
Protects a trader’s business interests and goodwill	Protects consumers (and the broader public interest)
Only a trader (or persons affected by injury to the trader’s business and goodwill) has standing to bring an action	Any person may bring an action for a contravention of sections 18/29 of the ACL
Possibly greater degree of reputation needed to establish the cause of action	Possibly less degree of reputation needed to establish the cause of action[1][#_ftn1]

Relief may be more limited (for example, more geographically restricted to the areas in which the plaintiff can establish a reputation)

Relief may also be limited but an injunction more likely to be broader^[2]^[#_ftn2]

Section 120(3) Trade Marks Act 1995 (Cth) is the closest form of protection against dilution. However, it is generally not considered to be an anti-dilution provision.

^[1]^[#_ftnref1] *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302; *Emap Elan Ltd v Pacific Publications Pty Ltd* (1997) 37 IPR 1, in the context of section 52 of the *Trade Practices Act 1974* (Cth).

^[2]^[#_ftnref2] Eg *Simplicity Funerals Ltd v Simplicity Funerals Pty Ltd* (1987) 16 FCR 129.

3) If such protection is available, what is the basis for the protection, e.g. trademark law (distinguishing between unregistered and registered trademarks where relevant), unfair competition, consumer protection law, common law? If multiple causes of action are available, is there an interaction between them, and if so, what?

Please see response to question 2) above. If a registered trade mark infringement is involved, generally an action on all three bases would be brought.

Passing off and an action under the ACL are the only causes of action available for an unregistered trade mark (and other forms of trade indicia, such as get up).

4) What are the elements of any available cause of action, e.g. the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, change in the economic behaviour of consumers, actual advantage, potential future advantage? How are they proven?

Passing off

Elements:

The “classical trinity” of elements required for actionable passing off are:

- a goodwill or reputation attached to the plaintiff’s goods in the mind of the purchasing public by association with the identifying get-up;
- a misrepresentation by the third party defendant (whether or not intentional) indicating or likely to indicate that the defendant’s goods or services are those of the plaintiff; and
- damage to the plaintiff’s goodwill (or the likelihood of damage) engendered the defendant’s misrepresentation.^[#_ftn1]

ACL

Elements:

Defendant must be in “trade or commerce”, which is usually easily established.

The defendant’s conduct must mislead or deceive or be likely to mislead or deceive.

The propositions of law applicable to section 18 are as follows.[2][#_ftn2]

- the conduct must convey in all the circumstances of the case a misrepresentation;
- the error or misconception must result from the conduct of the defendant and not from other circumstances for which the defendant is not responsible;
- conduct will be likely to mislead or deceive if there is a “real or not remote chance or possibility” of misleading or deceiving regardless of whether it is less or more than 50%;
- conduct causing mere confusion or uncertainty is not necessarily co-extensive with misleading or deceptive conduct but, since actual deception need not be shown, the court must consider whether a substantial number of likely purchasers are liable to be deceived;
- the plaintiff must establish that it has acquired the relevant reputation in the name;
- the section is not confined to conduct which is intended to mislead or deceive.

Moreover, "misleading" in the context of section 18 has been held to be closer in meaning to "deceptive" than confusion, in the sense that "misleading conduct actually directs a person to the wrong choice, rather than merely causing confusion.[3][#_ftn3]

Section 120(3) Trade Marks Act 1995 (Cth) - registered trade mark infringement

Elements:

- The plaintiff must have a valid, registered trade mark in Australia
- The trade mark must be well known in Australia (as a minimum in the sense described in section 120(4)) - and take into account the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason”
- Defendant must be using, *as a trade mark* a sign, in Australia. that is
 - either substantially identical with, or deceptively similar to, the (well known) trade mark;
 - in relation to unrelated goods or services; and

that, because of the reputation of the mark, the defendant’s use of the sign would be taken as indicating a connection between the unrelated goods or services and the plaintiff.

[1][#_ftnref1] *Reckitt & Colman Products Ltd v Borden Inc*, Lord Oliver, cited with approval in *ConAgra v McCain Foods (Aust) Pty Ltd*, Gummow J, 356. See also *Erven Warnink BV v J Townend & Sons (Hull) Ltd (No 1)* [1979] AC 731.

[2][#_ftnref2] *Equity Access Pty Ltd v Westpac Banking Corp I*(1989) 16 IPR 31, per Hill J (in the context of section 52 of the *Trade Practices Act 1974* (Cth), now section 18 of the Australian Consumer Law.

[3][#_ftnref3] *Deane and Fitzgerald JJ in Taco Co (Aust) Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177, 201; *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 194, 198.

5) Further to question 4):

a) what degree of reputation, if any, in the trademark is required?

For passing off - the reputation must extend to the geographical area in which the defendant is making the representation and to the class of purchaser to whom the defendant’s representation is addressed.

For ACL actions - the extent of the reputation for the purpose for an ACL section 18 action may be less than that required for a passing off action, but must nevertheless be that the plaintiff’s name or

mark has acquired a reputation within the relevant jurisdiction for the public to be misled or deceived.[1][#_ftn1] It is well-established that in actions for misleading and deceptive under the ACL, the existence of reputation is inseparably linked to the question of whether a party has engaged in misleading and deceptive conduct at all.[2][#_ftn2]

For section 120(3) Trade Marks Act - please also see response to question 4.

The trade mark must be well known in Australia (in the sense described in section 120(4)) and take into account the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason.

[1][#_ftnref1] *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302; *Dairy Vale Metro Co-Op Ltd v Brownes Dairy Ltd* (1981) 54 FLR 243.

[2][#_ftnref2] *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606 at [22] per Perram J

b) who bears the burden of proof regarding the requirements?

The plaintiff (on the balance of probabilities)

c) must the use at issue cause confusion?

yes

If so, what degree of confusion is required, e.g. actual confusion, a likelihood of confusion and/or initial interest confusion (i.e. initial confusion which has been resolved at the time of purchase)?:

Passing off and ACL actions

There is some support for the view that mere confusion is sufficient for the purposes of a passing off action,[1][#_ftn1] but the predominant view now is that a likelihood of actual deception is required.[2][#_ftn2]

Conduct that causes confusion does not breach section 18 ACL.[3][#_ftn3] However *evidence of confusion* may assist a court in finding that section 18 has been breached, particularly if the evidence establishes that the conduct may cause a consumer to be misled.

Section 120(3) actions

In relation to the question of deceptive similarity, under section 10 of the Trade Marks Act, a trade mark is taken to be deceptively similar to another if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion. To show that a trade mark is deceptively similar to another, it is necessary to show a real tangible danger of deception or confusion occurring - a mere possibility is not sufficient.[4][#_ftn4] This is usually described in the sense of whether a consumer might be "caused to wonder" whether goods bearing the plaintiff's mark might be the defendant's.

[1][#_ftnref1] Eg *Parker Knoll Ltd v Knoll International Ltd* [1962] RPC at 274 and 276 per Lord Denning

[2][#_ftnref2] Eg *Reckitt & Coleman Products Ltd v Borden Inc* (1990) IPR 1.

[3][#_ftnref3] *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 194

[4][#_ftnref4] *Johnson & Johnson v Kalnin* (1993) 26 IPR 435 at 439, per Gummow J.

d) can the protection be invoked in case of both similar and dissimilar goods/services?

yes

Please comment:

ACL and passing off - yes, although the prospects of success of such actions will probably be lower where the goods and services are dissimilar.

Section 120(3) - no, the goods and services must be "not of the same description", or "not closely related services".

e) are there any other factors, even if not a separate requirement, that may be relevant, and if so, what are they?

No

6) Are there any defences against and/or limitations to the protection?

yes

If so, what are they, and what are the elements of such defences/limitations?:

Passing off

Defences:

- Plaintiff's case not made out[1][#_ftn1]
- Carrying on business under own name in good faith[2][#_ftn2]
- Acquiescence and estoppel[3][#_ftn3]
 - Elements: The defence is available where the length of the plaintiff's delay is such that "*it would be unconscionable for a party to be permitted to deny that which, knowingly or unknowingly, he has allowed or encouraged another to assume to his detriment*"[4][#_ftn4] **ACL actions**

Defences:

- Plaintiff's case not made out[5][#_ftn5]
- Where the plaintiff claims a misrepresentation has taken place by way of an advertisement, the defence under section 251 of the ACL is available
 - Elements:
 - the defendant is a person whose business it is to publish or arrange for the publication of advertisements (eg a newspaper)
 - the defendant received the advertisement for publication in the ordinary course of business
 - the defendant did not know, and had no reason to suspect, that its publication would amount to a contravention of sections 18 or 29.
- Action for damages is commenced outside the 6 year statutory limitation period[6][#_ftn6] **Section 120(3) Trade Marks Act** Defences:
- Plaintiff's case not made out[7][#_ftn7]
- Invalidity of registration[8][#_ftn8]
- Estoppel, laches, acquiescence and delay
- Action commenced outside the statutory limitation period[9][#_ftn9] Sections 122, 123 and 124 provide various statutory exceptions to section 120(3). These exceptions have effect such that the

following uses will not constitute infringement under s 120(3):

- Use of the person's name in good faith
- Use of the name of the person's place of business in good faith
- Use in good faith to indicate the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic
- Use in good faith to indicate the time of production of goods or of the rendering of services
- Use in good faith to indicate purpose (in particular as accessories or spare parts)
- Use for the purpose of comparative advertising
- Use where a person has a right, given under the Trade Marks Act, to use the trade mark
- Use where the court is of the opinion that trade mark registration would be obtained if sought
- Use where the mark registered is subject to conditions or limitations not infringed
- Use where subject to a disclaimer
- Use where the trade mark was applied by or with the consent of the registered owner
- Use that has been continuous in a particular area since before the first use or registration by the registered owner.

[1][#_ftnref1] Strictly speaking, this is a quasi-defence as it involves denying that a cause of action has been established by the plaintiff.

[2][#_ftnref2] *Joseph Rodgers & Sons v WN Rodgers & Co* (1924) 41 RPC 277 at 291-2; approved by the House of Lords in *Parker-Knoll Ltd v Knoll International Ltd* [1962] RPC 243

[3][#_ftnref3] *Habib Bank Ltd v Habib Bank AG Zurich* [1982] RPC 1 at 36

[4][#_ftnref4] *Ibid*

[5][#_ftnref5] See 16 supra

[6][#_ftnref6] Section 236(2) ACL

[7][#_ftnref7] See 16 supra

[8][#_ftnref8] *HTX International Pty Ltd v Semco Pty Ltd* (1983) 49 ALR 636 per Fox J

[9][#_ftnref9] This limitation period has effect under section 79 of the *Judiciary Act 1903* (Cth), through the various Australian State statutes of limitation. Under the *Limitation Act 1969* (NSW) s 14(1) the limitation period for the State of New South Wales is 6 years accruing from the date of the first act of infringement.

7) Who bears the burden of proof in relation to any defences and/or limitations? In this context, please also consider the relationship with the element of "unfairness". For example, is it a defence that the use is with "due cause" (see paragraph 31 of the introduction) above and footnote 2) of the introduction? If so, can such use ever be "unfair"? Or is this just a matter of a shifted burden of proof?

As noted in response to question 4) above, "unfairness" is not an element of the protections under section 120(3) of the Trade Marks Act, sections 18 and 19 of the ACL, or passing off.

8) If a defence exists or only limited protection is available, what rights does that give the free rider? For example, may the free rider simply use the trademark or may the third party obtain a separate trademark registration in respect of the goods and/or services in respect of which the free rider is using

the trademark?

A third party may be able to obtain a standard trade mark registration subject to the usual requirements for registration, and the usual grounds of opposition being raised.

The third party may also be able to obtain a “defensive” trade mark registration pursuant to Pt 17 of the Trade Marks Act 1995, where they do not use or intend to use the trade mark in relation to the goods or services in respect of which the free-rider is using the mark. [1][#_ftn1] To obtain a defensive registration, the third party must have used the mark in relation to goods or services subject to an existing registration, and that use must be so extensive that use in relation to other goods or services is likely to be taken as indicating a connection between those other goods or services and the registered owner of the mark.[2][#_ftn2]

[1][#_ftnref1] Section 185(5) Trade Marks Act 1995

[2][#_ftnref2] Section 185(1) Trade Marks Act 1995

9) Can the protection be invoked in:

a) court in civil proceedings;

yes

Please comment:

Yes, actions under section 120(3) of the Trade Marks Act, sections 18 and 29 of the ACL and for passing off can be commenced by way of civil proceedings. The usual venue is the Federal Court of Australia, although the Supreme Courts of each Australian State and the Federal Circuit Court of Australia also have jurisdiction to hear these actions.

b) court in other proceedings;

yes

if so what other proceedings (e.g. criminal proceedings):

Criminal proceedings may be commenced for breaches of sections 29(1)(g)-(h) of the ACL under the corresponding offence provisions in sections 151(g)-(h).

The consumer law regulator, the Australian Competition and Consumer Commission (ACCC), may commence civil action for contraventions of the ACL. Where section 29 is contravened, the ACCC may seek civil pecuniary penalties of up to AU\$1.1million for companies and AU\$220,000 for individuals for each contravention.[1][#_ftn1]

[1][#_ftnref1] Section 224 of the ACL

c)	opposition proceedings;
	yes
	Please comment:
	Passing off and contravention of section 18 and 29(1)(g)-(h) of the ACL may be argued in opposition proceedings under the "contrary to law" ground in section 42(b) of the Trade Marks Act.

d)	any other?
	no
	Please comment:

10)	If the protection can be invoked in multiple proceedings, are there different requirements for different proceedings? If so, please state the requirements.
	Criminal proceedings under the ACL will require satisfying a higher burden of proof (beyond reasonable doubt) than civil proceedings (the balance of probabilities).
	Succeeding in an opposition proceeding on the "contrary to law" ground requires clear evidence that use of the applied for mark <i>would</i> contravene sections 18 and/or 29 of the ACL.

II Policy considerations and proposals for improvements of the current law

11)	Should there be protection against:
-----	-------------------------------------

a)	the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or
	no
	Why not?:
	The current Australian legal framework seeks to provide a balance between, on the one hand, protection for the owners of registered and unregistered trade marks, damage to the goodwill of a trader, and protection for consumers against misleading and deceptive conduct in trade or commerce, and, on the other hand, the rights of traders (and others) to engage in competition with other traders - except to the extent that consumers and/or traders are (at least) likely to be confused.
	With the present system of checks and balances in the legal framework already in place, a further cause of action in an area that already appears to broker an acceptable compromise between right holders, consumers and traders, would appear to be an unnecessary and further incursion into a space that may be best regulated by market forces than the law.
	Put another way, the requirement under the current causes of action that there be at least a likelihood of confusion, places some fetter on an injured party's right to recover for an alleged "unfair advantage". It would also avoid possible uncertainty that might arise (both among rights holders as well as non-rights holders) as to the nature of the conduct <i>less</i> than that amounting to a likelihood of confusion, which might constitute the taking of an unfair advantage.

b) use that is similar but outside the scope of the definition in these Working Guidelines?

no

Why not?:

For reasons discussed above (including our responses to questions 1-10 of the Working Guidelines), a use that falls outside the scope of the definition is already sufficiently protected – and does not, in our view, require any additional protection at present.

12) Is the basis for protection or the cause of action relevant?

yes

Why?:

If this question is seeking to enquire as to whether the basis for protection / cause of action should be under statute or the general law or, then it probably does not matter. This view also reflects the current position in Australia where similar causes of action (as discussed above) are protected under statute and the common law. Remedies are, in part, derived from principles of equity.

However, if there is to be harmonisation of such causes of action at the international level, it is likely to be easier for the implementation of any new law(s) by statute.

13) Should it be possible to invoke the protection in all types of proceedings mentioned above under 9) above?

no

Why not?:

Australia differentiates between the evidentiary requirements in proceedings before the Australian Trade Marks Office, and in courts. In proceedings before the Trade Marks Office, the rules of evidence do not apply, whereas they do in court proceedings of all kinds. For that reason, there would need to be some differentiation between, and allowances made for, these differing requirements before the various tribunals.

It is also our view that such matters would be best dealt with as part of civil proceedings. If the applicable law contained some offence provisions (as under the present Australian Consumer Law and the *Trade Marks Act 1995* (Cth)), these could probably be dealt with as currently.

14) How can your current law as it applies to the taking of unfair advantage of trademarks and/or the interpretation thereof (in particular, in case law) be improved?

Consistently with our response to question 11, we consider that there should be a system of adequate checks and balances between a right of a trader to protect its goodwill and/or its property in a trade mark with a freedom of traders to compete among each other for the benefit of traders in commerce and also for consumers. For that reason, we are inclined to the view that the present system provides an adequate balance and that there is no immediate need for change.

As far as the interpretation of “unfair advantage” is concerned, some refinement of the particular scope of that term would help to determine whether it is a synonym for the doctrine of passing off, as a generic description for all legal and equitable causes of action against the unlawful trading activities of a competitor or whether it is more akin to a misappropriation of knowledge or information of a trader in which there is no specific defined proprietary right.

III Proposals for harmonisation

15)	Is harmonisation in this area desirable?
	yes Please comment:
	<ul style="list-style-type: none">• From a brand owner and trade mark lawyer/attorney perspective, harmonisation would provide greater clarity and certainty as to the scope and limitations of trade mark rights in relation to free-riding on a global stage.• Harmonisation would also be desirable to give effect to the Paris Convention, in particular Article 10bis.

If yes, please respond to the following questions without regard to your national or regional laws. Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

16)	If your answer to question 11) is no in respect of a. and/or b., is it your view that no such protection should be available anywhere?
	In principle, yes. As noted in our response to question 11a), our view is that any protection against free-riding should require, to some degree, a likelihood of confusion.

17)	Should there be harmonisation of the definition of:
-----	---

a)	the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or
	yes If so, please provide any definition you consider to be appropriate.:
	Consistently with our responses to questions 11a) and 16, a harmonised definition would only be useful for the purposes of defining "free-riding" as a species of conduct that is not actionable per se. To the extent such a definition may be useful, we would suggest defining "free-riding" as the use of a third party trade mark:
	<ul style="list-style-type: none">• to take advantage of the reputation or distinctive character of a registered or unregistered trade mark;• in a manner that does not lead to likelihood of confusion.

b)	use that you consider similar but outside the scope of the definition in these Working Guidelines?
	yes If so, please provide any definition you consider to be appropriate.:
	Given that various "traditional" protections might be expected to apply to use that is similar to but outside the scope of the Working Guidelines, a harmonised definition for such use would more appropriate to consider in the context of considering possible harmonisation of those traditional protections.

18)	What should the basis for protection/cause(s) of action be?

For reasons already noted above, protection against free-riding should, in our view, be based on traditional protections that are directed to preventing conduct that creates a likelihood of confusion.

19) What should the requirements for protection be? In your answer, please address at least the following, in addition to any other relevant factors: what level of reputation, if any, in the trademark should be required, and who should bear the burden of proof?

Again, protection against free-riding should require a likelihood of confusion, with the plaintiff bearing the onus of establishing this requirement on the balance of probabilities. Ownership of a registered trade mark should be prima facie evidence of sufficient reputation. For unregistered marks, the level of reputation required should be akin to the level of reputation required in a passing off action.

20) What defences against and/or limitations to the protection should be available? Please state the proposed requirements for any defence/limitation, and the effect of any defence/limitation.

The defences and limitations noted in our response to question 6) should be available in relation to any protection against free-riding. We would not propose expanding on or adding to these defences and limitations.

21) Who should bear the burden of proof in respect of any defences and/or limitations?

The defendant

22) In what type(s) of proceedings should it be possible to invoke the protection?

In our view, any protection against free-riding should be actionable by way of civil court proceedings only.

Summary

Harmonisation of laws relating to parasitism and free riding is desirable particularly in light of many trade mark proprietors who operate across borders.

Protection against free-riding should require a likelihood of confusion, with the plaintiff bearing the onus of establishing this requirement on the balance of probabilities. Ownership of a registered trade mark should be prima facie evidence of sufficient reputation. For unregistered marks, the level of reputation required should be akin to the level of reputation required in a passing off action.

Various defences should be available with the onus being on the defendant to prove them.

Please comment on any additional issues concerning the taking advantage of trademarks in the sense of parasitism and free riding you consider relevant to this Working Question.