



5 May 2011

Mr Stephen Palethorpe
Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: stephen.palethorpe@aph.gov.au

Dear Mr Palethorpe,

Part 2 of the Product Stewardship Bill 2011

The Intellectual Property Committee of the Business Law Section of the Law Council of Australia (**Committee**) would like to draw to the attention of the Senate Standing Committee a number of its concerns in relation to Part 2 of the Product Stewardship Bill 2011 (**Bill**).

Part 2 enables the establishment of voluntary arrangements pursuant to which participants agree to meet certain criteria relating to particular classes of products. The Bill licenses persons to use the Government's intellectual property rights in a product stewardship logo (**logo**) if the exercise of those rights is in accordance with an accredited voluntary arrangement.

The Committee's main concern in relation to Part 2 relates to the fact that the accredited voluntary arrangements and the right to use the logo essentially function in the same way as the certification trade mark scheme established under Part 16 of the *Trade Marks Act 1995* (Cth) (**Act**). Under the Act, a certified trade mark is defined as a sign which is used to distinguish goods or services certified by the trade mark owner, or by another person approved by the owner, in relation to quality, accuracy or some other characteristic from other goods or services dealt with or provided in the course of trade but not so certified. In order to obtain registration of a certification trade mark, an applicant is required to submit a copy of the rules which will govern the use of the certification mark. These rules must specify, amongst other things, the requirements that the goods or services must meet for the certification trade mark to be applied to them, the process for determining whether the goods or services meet the certification trade mark standards, the requirements that a user must meet in order to be able to use the certification trade mark and procedures for resolving disputes (See S173(2) of the Act). Well known certification trade marks include The Wool Mark Company's *Wool Mark* logo and the National Heart Foundation of Australia's *tick* trade mark.

The Committee's view is that the accredited voluntary arrangements and right to use the logo contemplated under the Bill should fall within the scope of Part 16 of the Act, rather than being dealt with separately and in a manner which selectively and inconsistently duplicates elements of Part 16 of the Act. The Committee's reasons for taking this position can be summarised as follows:

1. As a matter of principle, the Committee is of the view that matters of substance relating to trade marks and their use ought to be contained within the piece of legislation dealing with this subject matter, namely the Act. This is because businesses and individuals seeking to inform themselves of the laws relating to trade marks and their use should be entitled to assume that all such laws will be contained within the one Act, rather than spread across a number of pieces of legislation which deal with a diversity of subject matter and within which one would not necessarily or reasonably expect to find trade mark rights.
2. The certification scheme established under the Act would seem to satisfy all of the government's objectives in relation to voluntary arrangements and the use of the logo. The scheme established under the Bill incorporates aspects of the certification trade mark scheme but omits one key element. Under the Act, the rules must be submitted to the Australian Competition & Consumer Commission (**ACCC**) to ensure that the attributes a person must have to become an approved certifier are sufficient to enable the person to assess competently whether goods or services meet the certification requirements and the rules would not be to the detriment of the public (see Section 175 of the Act). It is submitted that the Minister should not be taking on this role in lieu of the ACCC. Furthermore, the involvement of the ACCC is likely to provide a rigour and objectivity to the voluntary scheme which would enhance both its effectiveness and credibility in the minds of the public.
3. Finally, the Bill contemplates that the logo will be registered by the Commonwealth under Part 4 of the Act as an ordinary trade mark, that is, as a mark which serves to distinguish good or services dealt with in the course of trade by the owner from the goods or services dealt with or provided by any other person. It is the view of the Committee that if the logo is applied for or registered on this basis, there is significant risk that the application will either be rejected or any registration will be invalid and potentially subject to revocation proceedings on the basis that the use of the logo would be likely to deceive or cause confusion (See Ss43 and 88 of the Act). This risk arises because the logo will be used to designate certain classes of products as meeting certain criteria rather than establishing a connection in the course of trade between the Commonwealth and the relevant goods (in line with the purpose of ordinary trade mark registration).

Yours sincerely,

Bill Grant
Secretary-General