

TRADE MARK REGISTRATION REFUSED FOR PRIMARY HEALTH CARE

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Legal Briefings - By **Philippa Bergin-Fisher**

ASX listed company Primary Health Care Limited may not register PRIMARY HEALTH CARE as a trade mark, says the Full Federal Court of Australia.

This decision highlights:

- The difficulties of securing trade mark registration of a descriptive mark.
- The difficulties in acquiring distinctiveness in a brand through use, if that brand is largely descriptive.
- The benefit of selecting a trade mark capable of strong protection, especially given the monetary investment in branding and its commercial value.
- In determining whether a trade mark is inherently adapted to distinguish services, do not take an overly narrow construction of the services.

SUMMARY OF THE DECISION

Primary Health Care Limited (**PHC**) manages 71 medical centres around Australia. It leases premises, recruits health practitioners and other staff, and provides equipment and services such as reception and invoicing services.

PHC applied for registration in Australia of two trade marks:

- the word mark PRIMARY HEALTH CARE; and
- the logo:



(Together, the **Trade Marks**)

The Trade Marks were sought to be registered for services including medical centre business administration and back office services for medical practitioners, such as billing services, reception services and management of patient files (the **Services**).

The Trade Mark Registrar refused registration of the Trade Marks, and this decision was upheld at first instance. On appeal, the Full Federal Court also refused registration.

TRADE MARKS DO NOT DISTINGUISH PHC'S SERVICES

A trade mark must not be registered if the trade mark is not capable of distinguishing the applicant's services from those of other people.¹

This involves analysing:

- Who is the audience;
- What is the ordinary meaning of the mark to that audience;
- In light of its ordinary meaning, is the mark inherently adapted to distinguish?²

PHC contended that its target audience was health care practitioners only, as these are the only people to whom it provides its services. The Full Federal Court upheld the trial Judge's view that the target audience was not so confined. It included other people in Australia who were "concerned with" the Services, such as the public health sector, patients, members of the general public who may seek access to medical care at the PHC clinics, rival traders, government departments, instrumentalities and health care practitioners.

Regardless of how the target audience was defined, the trial Judge held that in all instances the ordinary meaning of the words PRIMARY HEALTH CARE was clear. The words mean first level health care or the health care received as a result of the first contact between an individual and a health care system. Even if the words are not used by members of the public, that is not to say that the words would not be given their ordinary meaning by members of the public when confronted with the phrase.

PHC then submitted it was not, in fact, providing primary health care services. PHC contended that it was providing back office services to medical practitioners and had no relationship with patients. The trial Judge viewed this argument as based on an overly narrow construction of the Services. Her Honour found that PHC is in the business of operating medical centres, and its services are not directed only to health professionals, they are directed to patients of its medical centres and to all other participants in health care who interact with health professionals in its centres. The invoicing services, provision of supplies, making of appointments, telephone reception services and so forth are all part of the business of operating medical centres, and therefore all part of primary health care services.

As a result, the trial Judge concluded, and the Appeal Court upheld, that the Trade Marks are not to any extent inherently adapted to distinguish the Services. To the contrary, the Trade Marks are descriptive of the Services.

ACQUIRED DISTINCTIVENESS

PHC had argued that, if the Trade Marks were to some extent inherently adapted to distinguish the Services, the Trade Marks had acquired distinctiveness through use.

This argument failed because the trial Judge, with whom the Full Court agreed, found that PHC had not used the Trade Marks to market the Services per se. It had used the word Trade Mark only, to market its medical practice model generally.

TRADE MARKS ARE LIKELY TO CAUSE CONFUSION

An application for registration of a trade mark must be rejected if, because of some connotation of the trade mark, its use would be likely to deceive or cause confusion.³

The majority of the Appeal Court agreed that the words PRIMARY HEALTH CARE connote first level health care. Yet the Services provided by PHC, while part of the provision of first level health care, did not include the provision of clinical care. Accordingly, use of the Trade Marks could cause confusion.

PHC argued that the trial Judge's decision was inconsistent because, on one hand her Honour held the Trade Marks to be descriptive of the Services, and on the other hand her Honour held the Trade Marks to be confusing because PHC did not itself provide first level health care. The Full Court did not accept that there was an inconsistency in the trial Judge's decision.

USE OF THE TRADE MARKS WOULD BE CONTRARY TO LAW

An application for registration of a trade mark must be rejected if its use would be contrary to law.⁴ For the same reasons above, the Full Court agreed that the use of the Trade Marks would be misleading or deceptive under the former Trade Practices Act.

AMENDMENTS

Both at trial and on appeal, PHC made last minute proposals to limit its applications for trade mark registration, in effect so that PHC could not use the Trade Marks in any way that could be seen or heard by anyone other than medical professionals. The Full Court did not accept those limitations, including because they did not address the fundamental issue that PRIMARY HEALTH CARE is not inherently adapted to distinguish the Services, which do in fact concern the provision of primary health care to patients.

* * *

The full decision is available here: Federal Court of Australia – [*Primary Health Care Limited v Commonwealth of Australia* \[2017\] FCAFC 174](#).

ENDNOTES

1. Section 41(2) of the Trade Marks Act (Cth) prior to amendment.
2. Section 41(3) of the Trade Marks Act (Cth) prior to amendment.
3. Section 43 of the Trade Marks Act (Cth).
4. Section 42 of the Trade Marks Act (Cth).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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