

UGG-LY TRADE MARK BATTLE AHEAD FOR AUSTRALIAN UGG BOOT MANUFACTURER

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Legal Briefings - By **Melanie Armsby** and **Alicia Simonds**

As the temperature cools and Australians reach for their ugg boots, one local Australian footwear business is feeling the heat from the American-owned ugg boot business, Deckers Outdoor Corporation.

The battle is in the intellectual property arena where a large United States business is seeking to strengthen its stronghold over a quintessentially Australian backyard brand - 'UGG'. The plight has even attracted the attention of Australian politicians who have added it to their political agendas ahead of the Australian Federal election in July this year. It has been reported that South Australian Senator Nick Xenophon has vowed to defend the furry boots by launching a petition and pledging to introduce legislation to protect the word 'UGG' in Australia from overseas giants if re-elected at the federal election in July.

IN BRIEF

Deckers Outdoor Corporation (**Deckers**), which owns the trade mark 'UGG' in the United States,¹ initiated legal proceedings in the United States District Court for the Northern District of Illinois on 28 March 2016 against manufacturer Australian Leather Pty Ltd (**Australian Leather**) for selling sheepskin footwear products in Illinois that resemble Deckers' design patents and bear the word 'UGG'.² Australian Leather has been advertising and selling the footwear products through its website.

Deckers does not have a trade mark registration for the word 'UGG' in Australia. The status of Deckers' application for registration of the word 'UGG' in a stylised form in Australia is currently 'subject to a hearing'.³

WHAT DOES THIS MEAN FOR AUSTRALIAN BUSINESSES?

If the United States District Court finds that Australian Leather has infringed Deckers' 'UGG' trade mark, Australian sheepskin footwear manufacturers and retailers may be committing trade mark infringement by advertising, exporting or selling sheepskin footwear bearing the word 'UGG' in the United States.

However, sheepskin footwear manufacturers and retailers will not be prevented from advertising or selling sheepskin footwear bearing the word 'UGG' in Australia as there is no current Australian trade mark registration for the word 'UGG'. An issue that is often raised about the word 'UGG' in the trade mark context is whether it is inherently adapted to distinguish the goods, or whether it is a generic term. In an Australian Trade Mark Office decision,⁴ the Hearing Officer found that the terms 'UGH BOOT(S)', 'UG BOOT(S)' and 'UGG BOOT(S)':

"lack any inherent capacity to distinguish the particular goods. The Yellow Pages®, Internet, magazine and dictionary uses of these terms make it quite clear that these terms are generic – they are the most immediate and natural ways in which to refer to a particular style of sheepskin boot".⁵

It is likely that this issue will become clearer if a hearing is held for the 'UGG' trade mark in a stylised form.⁶

TAKE HOME POINTS FOR AUSTRALIAN BUSINESSES

- The proceeding is a timely reminder that trade mark protection is jurisdictional in nature. This means that having a trade mark registered in one country does not guarantee protection to use that mark or sign in other countries. For example, a generic trade mark being used in Australia will not have trade mark protection in Australia, but may have trade mark protection in another country.
- Businesses that intend to sell products in multiple countries should conduct thorough trade mark register searches to ensure that there are no blockages to using their trade mark in each country in which they intend to operate. These searches may prevent costly trade mark opposition proceedings or rebranding in the future.
- In addition to being aware of trade mark rights in other countries, Australian manufacturers and retailers that export goods need to be alert to other intellectual property rights, including patents, designs and copyright, that exist in the destination country.

ENDNOTES

1. US Trademark Registration Number 3050925.
2. Case No. 16-cv-03676.
3. AU Trade Mark Application Number 1362324.
4. *Deckers Outdoor Corporation v B&B McDougal* [2006] ATMO 5.
5. *Deckers Outdoor Corporation v B&B McDougal* [2006] ATMO 5, [34].
6. AU Trade Mark Application Number 1362324.

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