

Commercial Insights

Dangers of adopting branding including a geographic reference

Does the name you have adopted for your business describe the nature of your business and also make reference to the geographic region in which your business operates?

Naming your business after its geographical location can provide a trading advantage in attracting customers. The location of the business and the core function of the business is easily discernible from the name itself. However, there are limitations on adopting this type of branding. It will be difficult to gain an exclusive reputation in that name where the name describes the business and includes the geographical place name solely for geographical function.

The monopoly in common law trade marks that adopt the geographical name of the region within which they operate is extremely narrow. The Courts are unlikely to give a monopoly in geographical names. The adoption of a similar business name by other traders which is also merely descriptive of the function of the business, or of the geographical area in which it operates, is unlikely to contravene the *Australian Consumer Law* or give a cause of action for passing off. This is likely the case even where the first trader has longstanding use of the mark over many years. There is established case law stating that it is extremely rare for a business to gain exclusive reputation over a geographical place name¹. Consumer confusion is unlikely to arise because multiple traders have chosen to use generic indicia. Any other conclusion would create an unfair monopoly in the words.

The decision in *Kosciuszko*, which still stands as good precedent today, highlights the potential dangers for companies that rely on geographical names as part of their branding. In that case, the Court held:

‘The appellants are not entitled to a monopoly in the use of the word “Thredbo” in association with accommodation in Thredbo. Ordinarily, a trader is entitled to use a geographical name honestly and accurately unless that name has become distinctive of another’s goods or services and the trader is using the name to pass off its goods or services as those of the other’².

Traders will be entitled to use a geographical name so long as they do so honestly and without looking to pass off on another’s reputation. It will be a rare occurrence where a trader has acquired a secondary meaning in a geographic name which permits them any exclusive right to use it.

This article was written by Special Counsel, [Hayley Bowman](#) and Legal Assistant Meg Ryan. If you have any questions about business names and trade marks, please contact Hayley Bowman.

¹ *Hornsby Building Information Centre Pty Ltd v Sydney Building Information Centre* [1978] HCA 11

² *Kosciuszko Thredbo Pty Ltd v Thredbo Net Marketing Pty Ltd* [2014] FCAFC 87 at [41]

September 2021



Hayley Bowman

Special Counsel

+61 3 9810 6723

hbowman@meridianlawyers.com.au

Disclaimer: This information is current as of September 2021. This article does not constitute legal advice and does not give rise to any solicitor/client relationship between Meridian Lawyers and the reader. Professional legal advice should be sought before acting or relying upon the content of this article.