

# Maltesers has no sweet reward in court

» WE HAVE ALL HEARD OF THE PHRASE: "SUCCESS BREEDS IMITATION". WHILE, INDEED, IMITATION MIGHT BE A GREAT COMPLIMENT, IF ANOTHER FOOD COMPANY WAS TO COPY ASPECTS OF YOUR FOOD PACKAGING, THIS MIGHT NOT BE THE SORT OF FLATTERY YOU WOULD WANT TO RECEIVE. **SHARON GIVONI** REPORTS. (PHOTOGRAPHS BY **SIMON WATTS**).

**THIS WAS** the subject of a recent Federal Court decision, when Mars Australia, the manufacturer of Maltesers, alleged that an Australian confectionery importer and distributor, Sweet Rewards, wrongly "imitated" its packaging by producing its own version of the malt balls.

Mars argued that the Sweet Rewards packaging (generally sold in discount stores such as Target) was too similar to its chocolate Maltesers packaging. In Intellectual Property jargon, Mars took the stance that Sweet Rewards had "infringed two Maltesers registered trade marks" and engaged in "passing off" and "misleading and deceptive conduct".

In relation to the "deceptive packaging", Mars claimed that the jars and labelling used by Sweet Rewards wrongly suggested that a connection exists between their Malt Balls and Maltesers and represented to consumers that the contents are the same as Maltesers.

The label on the Sweet Rewards jars also showed floating chocolate balls, some sliced through with a yellow filling. Mars argued that this similarity misled the public into believing that the jars contained chocolate balls which looked and tasted like Maltesers – consumers, they said, could get confused between the two.

Despite all this, after considering the evidence, the Federal Court judge took the view that none of the varieties of Sweet Rewards packaging suggested that a connection exists between Maltesers' Malt Balls and Sweet Rewards' Malt Balls.

Unlike the Maltesers packaging, the word "Delfi" featured on the Sweet Rewards Malt Ball jar with a "skier motif" and the red colour on the jars was quite a significantly different shade to the "Maltesers red," while yes, it was true that the "floating malt balls" motif, similar to Maltesers', had been used. However, the judge thought that this, on its own, did not make the overall packaging too similar for him to find that there was public confusion between the two.

The Judge also dismissed the Mars' claim that the packaging infringed the Mars'

registered trademarks. He took the view that the words "Malt Balls" on the packaging are merely "descriptive". When you think about it, there are not many ways of describing "malt balls". Had Sweet Rewards used a similar invented name such as "Mallesters", the outcome of the case may have been different.

The court considered whether the public might really be confused into believing that the product comes from one and the same source. Ironically, in this case, Maltesers are so well known, having been some 50 years on the Australian market, that this made it all the more difficult for the judge to find any chance of confusion.

So what conclusions can we draw from the case, you might ask? The answer is that yes, success can breed imitation, if that "imitation" is not too close to the original product (perhaps a better word might be "inspiration"), then the manufacturer might be hard-pressed to stop the new product from selling in the marketplace on pure legal grounds. The judge in this case seemed to take the view that no ordinary person could think that the Malt Balls product misleadingly resembled the Maltesers products, especially given the fact that the colours of the packaging were not identical and the words on the packaging were quite different.

Of course the case is not a green light to potential copycats. It does not now follow from the Maltesers case that anyone can copy the packaging of a well-known product and get away with it. (For example, in the decision of *Sydneywide Distributors vs Red Bull Australia* [2002] FCAFC 157, the court held that Live Wire's energy drink can did infringe the Red Bull energy drink). Sometimes, there can be a very fine line between legitimate inspiration and free competition on the one hand, and infringing someone's intellectual property



Copycat? Not enough to breach trademarks, says court.

rights on the other. It is not always clear who the court might favour as so many factors come into play.

So if you ever wish to bring out new packaging that is "inspired" by another product, take extra caution and seek legal advice.

- Looks like Mars might be rolling back into court again sometime soon as they have appealed the decision. Watch this space!

*Disclaimer: The contents of this article are strictly of a general nature only and are current as at July 2009. They must not be relied upon as a substitute for tailored legal advice by a qualified lawyer.*

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Sometimes packaging colours can become generic over time. Still, if the product packaging or name is in some way misleading or infringes a registered trade mark, then there might be legal risks.