

INTELLECTUAL PROPERTY

A FOOD AND GROCERY CODE OF CONDUCT GUIDE

BACKGROUND

The increase in the quality of private label offerings in the Australian market in recent years has seen an increase in 'copycat' products. These products often used branding, packaging and other product attributes to closely align them to leading, branded products in any given category.

INTENT

The intent of this provision is to provide certainty and confidence to suppliers that their intellectual property (IP) rights and protections should be upheld in dealings with retailers.

IP AUSTRALIA

The specific obligations outlined in the Code in relation to IP operate in tandem with IP Australia. This includes legislation concerning trademarks, patents, designs, copyright and plant breeder's rights.

RELEVANT FGCC PROVISIONS

Division 4: Other Conduct

24 Intellectual Property Rights

27 Transfer of Intellectual Property Rights

- » The retailer, in all circumstances must respect and not infringe the IP rights held by suppliers in relation to grocery products, including IP rights in branding, packaging design and advertising.
- » In any dispute relating to a breach of these provisions, any relevant actions of the supplier in relation to the IP rights of the retailer must be taken into account.
- » The retailer must not directly or indirectly require a supplier to transfer or exclusively license any IP right held by the supplier in relation to a grocery product as a condition or term of supply of an equivalent own brand product.
- » This does not prevent the retailer from holding an IP right in an own brand product, or having an exclusive right to the retail sale of an own brand product or making the holding of such rights a condition or term of supply by the supplier of an own product, to the extent the product, recipe or formulation of the product was developed or formulated by or for the retailer or is customised by or for the retailer

REMEMBER TO KEEP YOUR FGCC TRAINING UP TO DATE.

CONTACT THE [AFGC](#) OR [NEXTGEN](#) FOR MORE INFORMATION.

WHAT SHOULD HAPPEN

- » Suppliers should take due care to protect their IP (which may include registering certain IP with IP Australia).
- » Prior to sharing any IP, suppliers should identify the information or material as their IP (it may not always be clear to others that you are claiming ownership of information that you share) and identify the specific purpose for sharing the information. Handing over a written document specifying the IP information and the purpose is important to keep the record trail intact. Be as specific as possible as to what you consider to be your IP.
- » GSA or other documentation should clearly articulate ownership of IP, when it does and does not transfer between parties, any consideration for transferring IP, any rights to use the other party's IP and any conditions, limitations or restrictions on such rights to use the IP (for example territorial restrictions or purpose restrictions).

SUPPLIER CONSIDERATIONS

- » The Codes does not create, confer or extend any additional IP rights to the supplier or the retailer.
- » 'Respect' in this context simply means that the retailer is required to observe existing IP law. In practice, this means a retailer must not take advantage of their relationship with suppliers by passing off one of its own brand products as a branded one, or duplicate/recreate the supplier's product through other suppliers. Where a supplier is of the view that the retailer has not respected its IP rights, the dispute resolution provisions of the Code provide a means for the supplier to raise the issue with the retailer as an alternative to threatening enforcement action or litigation.
- » In cases where IP has significant commercial value, suppliers should consider obtaining written confidentiality agreements (specifying the IP and the purpose for sharing) from meeting participants prior to sharing the information.
- » Where a product is developed jointly by retailers and suppliers there may be areas of shared or transferred IP. This should be clearly articulated in the GSA. Mutual licences may be one option for suppliers and retailers to consider, where each party continues to own rights over the finished product, but each party also gives the other party a royalty-free, non-exclusive, perpetual licence to use its IP in relation to the product (with provisos against use of each party's branding).



WE WOULD LIKE TO THANK BAKER MCKENZIE FOR THEIR
SUPPORT IN PREPARING THIS PUBLICATION.

All companies should seek independent legal advice when considering matters under the Food and Grocery Code of Conduct.