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Case Analysis

Who Owns UGG Boots?

Positioning statement: There are three main issues in the debate over whether Decker's Corporation should be allowed to prevent Australian Leather from promoting and selling its products as Ugg boots, which Decker's owns the US trademark for, online and overseas. However, Decker's should be allowed to have this protection because of their intellectual property rights and trademark defined precedence in other countries outside of Australia. Australian Leather should continue to sell their products online and internationally, but through a new definition and wording which is clear and distinct from Decker's UGG® trademark.

Argument: The first issue in this controversy, is whether Decker has the right to claim trademark rights over the UGG name. Decker's main argument for protecting their trademark right stems from their investment into their brand as a global, established name, which they claim Australian Leather has infringed upon by selling Ugg-branded boots internationally. Decker's argues that they have invested in and developed an established footwear name, which is a registered trademark in the US and enables it protection as intellectual property. In terms of intellectual property, brand names and logos are recognized as significant business assets which should be protected from misuse or misrepresentation from others. Decker's argument is valid, because it aligns with the primary purpose of intellectual property laws: to allow companies to protect their investments, design, and creativity which allow companies to receive recognition or financial benefit (pg 3). Furthermore, the UGG name has already been established as a trademark in the US and applied to a variety of countries worldwide, and rightfully so, as it adheres to the requirements for trademark recognition: describing a distinctive product, not similar or identical to earlier marks, or not deceptive or contrary to law or morality. Therefore, Decker's does have the right to claim intellectual property rights over the UGG name, and the benefits and business restrictions against others that come with it.

The second issue in this controversy, is whether it is legal for Decker Corporation to claim this business power over Australian Leather's sale of sheep-skin boots given the deeply cultural significance of the Ugg boot in Australia. Australian Leather argues that the Ugg name cannot be protected as an element of intellectual property because "it is a common term used to describe this particular type of footwear" in Australia (pg 8). Furthermore, the company argues that Decker has appropriated the cultural associations of the Ugg name to connect positive Australian characteristics with the product and the brand. However, this cultural significance is not enough to veto the trademark rights that Decker holds with relation to Australian Leather's product. This is because of a few reasons: First, a global precedent has already been established in which other companies are unable to sell sheepskin boots using the term "Ugg" in a majority of relevant countries such as China, Japan, and in Europe (pg 6). Second, even if the trademark hold of the Ugg name is an appropriation of Australian culture, there is no legal framework to protect cultural appropriation. Instead, cultural appropriation is an ethnographic issue between different audiences of the product.

However, it cannot be settled in a court. While the Australian government has sovereignty over its own borders, which allows the Ugg name to be used freely to refer to any sort of sheepskin footwear product, it has no control over how people in other regions use other aspects of their culture, even if it means the word has been reclaimed across borders.

The third issue is whether the application of the trademark protection applies for generic terms of foreign origin. Again, this could be argued through the application of the foreign equivalents doctrine, which would defend Australian Leather in their ability to sell Ugg-branded boots under the claim that Ugg is a generic term referring to sheepskin boots.

Recommendation: Based off of the argument for Decker's trademark protection of the UGG® name, Australian Leather could continue to sell their sheepskin boots, but under a different name. For instance, this may actually improve their brand profitability because customers may not be purchasing their "Ugg" labelled boots if they are looking for the UGG® branded alternative. Instead, Australian Leather should provide a distinct brand image, separate from Decker's UGG boots, and with a differentiated and competitive brand offering for customers compared to Decker's UGG boots. For instance, this could be done by emphasizing the authenticity of the Australian Leather boots compared to the UGG® Australian-appropriated boots.

While Decker's should retain the intellectual property rights for the UGG trademark given the current standing of cultural and political events, the results could be different given a reformed legal norm. In other words, if Australian Leather truly wishes to utilize the Ugg name, it would require some reformation of previous legal precedents, and potentially the dismantling of the UGG trademark recognition. Alternatively, Australian Leather could argue for the application of the foreign equivalents doctrine to circumvent the trademark restrictions. This doctrine would defend Australian Leather in their ability to sell Ugg-branded boots under the claim that "Ugg" is a generic term referring to sheepskin boots. This is entirely possible, since there is evidence for public acceptance of the term in the Macquarie Dictionary since 1981 (pg 3).

References

Matthews, R. (2018). Who owns genuine Ugg/UGG® Boots in the global footwear marketplace? *Bloomsbury Publishing Plc*.
<http://dx.doi.org/10.5040/9781474208772.004>