

Guide to trade marks

Trade mark is the legal term for a brand name which link products or services with their supplier. Trade marks are a key part of the goodwill in your business.

Trade marks communicate quality, performance, dependability, and price to customers. There are two types of trade marks — registered and unregistered.

Facts at a glance

A registered trade mark:

- must be distinctive of your products or services
- can include words, symbols, logos, images, sounds or smells
- can be registered in the countries where you want protection
- covers goods or services specified in your registration
- makes it easier for you stop others from using your trade mark, or a trade mark that is confusingly similar.

An unregistered trade mark:

- must be distinctive of your goods or services
- can include words, symbols, logos, images, sounds or smells
- can get protection if it is distinctive and has been in use for a significant amount of time
- is harder to protect from misuse than a registered trade mark.

What is a registered trade mark?

A trade mark may be a word, a logo, a label, a picture, a colour, a sound or shape, or a combination of these. It must be represented graphically to be registrable. Trade marks must be distinctive to be registered.

Distinctive means the trade mark has to identify the goods or services of the owner and distinguish the goods or services from competitors'. You can't protect (and so monopolise) a mark that might be required by others for legitimate purposes for their similar businesses.

Protection on a country-by-country basis

A New Zealand trade mark registration is only effective in New Zealand. You can register your trade mark in other countries where your business sells goods or services. Each country has different trade mark registration requirements and systems.

We can tell you about the registration process in any country, and help you file your trade mark applications.

Classes of goods and services

Trade marks can be registered in 45 classes. Each class covers a different set of goods or services.

When you apply to register your trade mark, you need to specify the products or services you use your trade mark for, or may want to use it for in the future. You can register your trade mark in as many classes as you want.

By registering your trade mark you get the exclusive right to use the mark - and to stop others from using it, on the products or services covered in your registration.

What is an unregistered trade mark?

Unregistered trade marks are brands that customers associate with your products or service, but have not been officially registered on the national database of trade marks at the intellectual property office.

In some countries, including New Zealand, the law recognises unregistered trade marks. An unregistered trade mark must have been used for a long time and be a well-recognised brand for the goods or services of the business that has been using it.

Why register a trade mark?

For a relatively low cost you can register your trade mark. Trade mark registration gives you:

- a national monopoly - no one else in the country where you register your trade mark can legitimately use the same or similar trade mark for the same or similar goods or services
- the confidence to invest in building a valuable reputation around your trade mark
- a public record of your ownership of the trade mark. Having your application on the national database of trade marks at the intellectual property office is often a deterrent to anyone else thinking of using the same or similar mark.
- a strong legal position if you have to take action to stop another party from using your brand.

How do I stop others using my trade mark?

It is easier to stop others using your trade mark if your mark is a registered trade mark. The Trade Marks Act 2002 gives you exclusive rights to use your trade mark on the goods or services you have listed on your registration.

If another business uses the same or a similar trade mark on the same or similar goods or services, they have infringed your trade mark and you can demand they stop using it immediately. All you need to show is that your trade mark is registered and valid.

If your mark is unregistered, you need to rely on other laws to stop others from using your trade mark. The Fair Trading Act prohibits misleading and deceptive conduct in trade. If another business uses a trade mark that is the same or similar to yours, and you can show that customers were, or could have been misled or deceived, then you can sue under this Act.

Also, the courts can stop others "passing-off" your unregistered trade mark. To be successful in an action for passing-off, you must prove to the court that the other business used your trade mark in a way likely to deceive customers and damage the reputation of your trade mark.

If two parties dispute rights to a trade mark, then ownership is decided by priority. Priority is given to whoever can prove they first used the trade mark or first registered the mark - whichever is the earlier. Another good reason to register your trade mark.

When adopting a new brand, you should apply for trade mark registration as early as possible to secure priority.

Developing a trade mark for a new product or service takes significant investment. Don't risk losing this investment by delaying your trade mark application and losing out to another business who claims greater rights.

Call A J Park to get the best advice about protecting your valuable trade marks.