

Why register a trade mark?

The goodwill of a particular product or service is often integrally associated with a trade mark. Marketing strategies rely on consumers purchasing items by reference to a well known mark, despite the availability of equivalent or better products. It is the ability of a reputable trade mark to give a product immediate market acceptance that tempts unscrupulous competitors to use the same mark or confusingly similar marks.

Registration of a trade mark confers on the registered owner the exclusive right to use that mark throughout New Zealand in relation to specified goods or services. The registration can also be used to restrict the use of the same mark or confusingly similar marks by others.

The penalties for infringement of a registered trade mark are substantial and may include damages, an account of profits earned by the infringer, litigation costs and surrender of all material carrying the infringing trade mark, as well as corrective advertising.

Trade mark registration protects the time and money spent promoting goods or services and any associated reputation and goodwill. As the goodwill of a business is often realised in its trade marks, registration of these marks provides a means by which the goodwill may be defined, and thereby more readily sold or licensed.

In the majority of cases, legal action is not necessary to stop infringement of a registered trade mark. Registration provides clear evidence of ownership and the right to exclusive use of

the mark, irrespective of where in New Zealand the trade mark is used. Usually the mere existence of a trade mark registration is sufficient to deter competitors from adopting the same mark or a similar mark.

Some trade marks are difficult to register (typically because they are too descriptive), but it can still be worthwhile applying for their registration for the following reasons:

1. Proprietary rights to a mark are substantiated. Both the application date and application number can be referred to in letters to unauthorised users of the trade mark;
2. The existence of the application on the Trade Mark Register may act as a deterrent to others wanting to use the same mark or a similar mark. It is common for people to search the Trade Mark Register before using or deciding upon a suitable trade mark. Furthermore, the Trade Mark Register is often searched prior to selecting a name for a new company; and
3. A trade mark application is a readily identifiable form of property which can be used as the basis of licences or assignments with other parties.