

# What is a trade mark?

A trade mark is a 'sign' that identifies and distinguishes the goods or services of one trader from those of another. A trade mark acts as a shortcut to allow consumers to efficiently identify the nature, quality, and source of a product or service. In this way, trade marks are valuable assets that can act as a 'badge of origin', and that can help to build a business's profile, develop its reputation, and achieve its commercialisation objectives. Some of the most familiar trade marks worldwide are Apple, Microsoft and Google. In the context of agriculture, farming, and food, recognisable trade marks include Roundup Ready, Nestle, and FairTrade. In Australia, trade marks are registered under the *Trade Marks Act 1995* (Cth).

## What can be trade marked?

Most commonly, trade marks consist of names and/or logos that are applied to goods, or used in relation to services. However, a trade mark can also be a letter, number, phrase, sound, smell, shape, picture, movement, aspects of packaging, or a combination of these. For example, in Australia, the 'Happy Little Vegemites Tune' is a registered sound trade mark, and there is a registered trade mark for the movement of the red M&M. An example of an Australian scent trade mark is the *Eucalyptus radiata* scent applied to golf tees.

## Registered and unregistered trade marks

Many traders in Australia choose to register their trade marks under the *Trade Marks Act 1995*. However, unregistered trade marks may be able to receive legal protection if they have been used in the marketplace and enjoy consumer recognition. Protection for unregistered trade marks is available under the law of 'passing off' or consumer protection legislation such as the Australian Consumer Law. However, only registered trade marks receive protection under the *Trade Marks Act 1995*.

## The TM and ® symbols and passing off

Goods and services often have the symbols TM and ® on them. There are some important points to consider when using the TM and ® symbols:

- By using the TM or ® symbol, you signal to consumers and other traders that you are asserting trade mark rights;

- You can only attach the ® symbol to your goods or services if you have a registered trade mark. Unauthorised use of the ® symbol (that is, on marks that are not registered) is an offence;
- You do not need to have a registered trade mark to attach the TM symbol to your goods or services. The TM symbol is most often used in situations where a trader wants to assert rights in non-registrable aspects of his or her business, under the law of passing off.
- Passing off prevents one trader from misrepresenting goods or services as being the goods and services of another trader, and it also prevents one trader from holding out his or her goods or services as having some association or connection with another trader when this is not true. A trader may bring an action for passing off even if he or she does not have a registered trade mark. Often, a passing off action is brought in conjunction with a trade mark dispute (if there is a registered trade mark) or instead of trade mark dispute (if there is not a registered trade mark).

## The registration process

Application for registration is made to IP Australia (<http://www.ipaustralia.gov.au/>). Once you have submitted your trade mark application, it will undergo an initial examination to ensure that it can be registered. If the Registrar decides to reject the application, the applicant will have the opportunity to make a

case to have this decision reversed. If the trade mark application meets all of the requirements for registration, the Registrar will advertise the application for a two-month period in which third parties may oppose registration. If registration is not opposed, the trade mark will be registered and published in the *Australian Official Journal of Trade Marks*.

### **Legal requirements for registration**

In Australia, trade marks are registered under the *Trade Marks Act 1995*. Under the *Trade Marks Act* there is a presumption of registrability. This means that the Registrar must accept a trade mark for registration unless there is evidence that the trade mark application was not made in accordance with the Act and with the associated *Trade Marks Regulations 1995*, or that there are grounds for rejecting it.

Perhaps the most important of these grounds is that the mark lacks distinctiveness, that is, the average consumer would not understand the mark as indicating the trade origin of the goods, because the mark simply describes the owner's goods or services. Proposed marks that indicate the size, type of goods or services, quality, characteristics, quantity, intended purpose, or geographical names will be difficult to register as trade marks.

Other grounds for refusing or rejecting a trade mark application include:

- The mark applied for is likely to mislead, deceive or confuse consumers; and
- The mark applied for is substantially identical with or deceptively similar to an earlier registered trade mark or trade mark application for identical or similar goods or services. However, the application for the later mark might not be rejected if the applicant establishes that the two marks have been used honestly and concurrently.

### **Classes of goods and services**

Trade marks do not apply to all goods and services. When you apply to register your mark, you need to nominate the class, or classes, of goods and services in which you will use your trade mark.

### **Duration and loss of registration**

Registered trade marks generally are protected for an initial period of ten years, which can be renewed indefinitely. However, trade mark rights may be lost under certain circumstances. Most importantly, a registered mark must be actively used in the course of trade. If it is shown that the trade mark has not been used in the past three years, it may be removed from the register.

### **Ownership and licensing of trade marks**

Priority in recognising ownership over trade marks is based on use of the mark and not how it was created. To be recognised as the owner of a trade mark, an applicant must be:

The first to use the mark in relation to the goods or services in question; or

In the case of an application for a registered trade mark prior to the commencement of trade, the person must intend to start using the mark in relation to the goods or services in question.

Trade marks can be licensed and assigned. However, where a trade mark is unregistered a more limited rule applies. This is because unlike registered trade marks, the law does not recognise a property right in unregistered trade marks. Therefore, it is not possible to transfer rights in an unregistered mark separate from the sale of the underlying business to which the 'goodwill' associated with the unregistered mark is attached.

### **Collective, certification, and well-known marks**

In addition to standard trade marks there are several other categories of marks. These include:

- Collective trade marks may be granted to an association or collective group, and used by members of that group to distinguish their goods or services based on their association with that group;
- Certification trade marks show that a trader's goods or services are certified as meeting particular standards. Certification marks may be granted to anyone who can verify that his or her goods or services meet established

standards related to quality, origin, or some other characteristic; and

- Well-known trade marks are marks that have a high degree of consumer recognition. Significantly, well-known marks do not need to be registered in a particular class of goods or services to receive protection in that class.

### Infringement and defences

For registered trade marks, infringement occurs when a person uses, without permission, a mark that is substantially identical with or deceptively similar to an existing trade mark.

The three most common defences to trade mark infringement are: (1) that the individual claiming infringement has not title to the mark because it has not yet been registered; (2) that the registration of the trade mark is invalid; and (3) that some provision of the *Trade Marks Act 1995* indicates that no infringement has occurred. With respect to the latter defence, the Act recognises that there may be no infringement if you use a trade mark in good faith, or if you refer to the mark to compare goods and services.

### Is there an international trade mark?

As a general rule, you need to apply for a trade mark in each country where you want protection. However, the Madrid System for the International Registration of Marks allows you to avoid the need to register the mark separately with each national or regional office. The World Intellectual Property Organization (WIPO) administers the Madrid System, which allows applicants to submit one application to WIPO. WIPO then forwards the application to the various national offices that you specify for consideration. There are also regional application processes in some parts of the world, such as those administered by the European Community Trademark and African Intellectual Property Organization.

#### *Fact Sheet 4: What is a trade mark? September 2022*

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