What is a trade mark?

A trade mark is a ‘sign’ that identifies and distinguishes the goods and 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 origination 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 build profile, develop reputation, and achieve commercialisation objectives. Some of the most familiar trade marks are Apple®, Microsoft® and Google®. In the context of agriculture, farming and food recognisable trade marks include Roundup Ready®, Plumpy’nut® 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 applied to goods, or used in relation to services. More unusually, shapes of products, aspects of packaging, scents, colours and movements are able to be trade marked. For example, the ‘Happy Little Vegemites Tune’ is a registered sound trade mark (TM Number 941361), and there is a registered movement trade mark of an animated red M&M (TM Number 919012).

Registered and unregistered trade marks

Many traders in Australia choose to register their trade marks under the Trade Marks Act 1995 (Cth). However, trade marks may be protected without being registered if they have been used in the marketplace and enjoy consumer recognition – this occurs under the law of ‘passing off’ or consumer protection legislation such as the Australian Consumer Law, contained in Schedule 2 of the Competition and Consumer Act 2010 (Cth).

The TM and ® symbols, and passing off?

Goods and services often have the symbols TM and ® on them. There are some important points worth noting in relation to the use of the TM and ® symbols:

• using TM or ® you let consumers and other traders know that the owner is asserting trade mark rights;
• you need to have a registered trade mark to attach the ® symbol to goods or services. Unauthorised use of the ® (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 there is a nonRegistrable right, similar to trade mark, such as passing off. Passing off may be relevant if a person or company misrepresents an association with another person’s business, and is actionable without 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 (see: http://www.ipaustralia.gov.au/). A trade mark application will initially be examined to ensure that it can be registered. If the Registrar decides to reject the application the applicant will be given an opportunity to make a case to have this decision reversed. Third parties will also have an opportunity to object to the registration of a trade mark.

Legal requirements for registration

In Australia, trade marks are registered under the Trade Marks Act 1995 (Cth). Under the Trade Marks Act there is a presumption of registrability. This means that the Registrar must accept a trade mark for registration unless satisfied that the trade mark application has not been made in accordance with the Act and the associated Trade Marks Regulations 1995 (Cth), 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 size, type of goods or services, quality, characteristics, quantity, the 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;
- the mark applied for is substantially identical with or deceptively similar to an earlier registered trade mark or trade mark application in respect of identical or similar goods. However, the later mark might not be rejected if it is established 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 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 are generally protected for an initial period of ten (10) years, which can be renewed indefinitely. There are, however, certain ways in which trade mark rights may be lost. Most importantly, a registered mark will be liable to be removed from the register if the owner has failed to use the mark in the preceding three years.

**Ownership and licensing of trade marks**

The rules relating to first ownership of trade marks are concerned with the use of the mark and not with how the mark was created. In order to be entitled to ownership of a trade mark the person 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 restricted rule applies. Because a passing off action does not provide a property right in the mark as such, it is not possible to transfer rights in an unregistered mark separate from the sale of the underlying business to which the ‘goodwill’ in 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 marks may be granted to an association or collective group, and used by members of that group to distinguish their good or services based on their association with that group;
- Certification marks may be granted to anyone who can certify that the products involved meet established standards related to quality, origin or some other characteristic; and
- Well-known 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 get protection in that class.

**Infringement and defences**

Trade mark infringement occurs when a person uses, without permission, a mark that is substantially identical with or deceptively similar to an existing trade mark. There are very few defences to trade mark infringement; instead a number of acts may be deemed not to constitute infringement including uses in good faith and comparative advertising.

**Is there an international trade mark?**

Generally speaking you need to apply for a trade mark in the country in which you want protection. In order to avoid the need to register separately with each national or regional office, however, the Madrid System for the International Registration of Marks – which is administered by the World Intellectual Property Organization (WIPO) – allows applicants to submit one application with WIPO, who then forward the application to different national offices for consideration. There are also regional application processes such as those administered by the European Community Trademark (ECTM) and African Intellectual Property Organization (OAPI).

This fact sheet is only for information purposes, and to assist you in understanding your legal rights and obligations in a general sense. It is not tailored to any particular fact, situation or specific requirements, and must not be relied on as legal advice.

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