



Think your company or business name protects you?

Think again

McKays answers your frequently asked questions on company names, business names and trade marks:

When I register a business name or company name that will give me exclusive use to the name and I can stop others from using that name as a mark for their products and services? No that is wrong.

Well if I register a business name or company name, then at least no one else can stop me using that name in my business? Wrong also.

Say again? Registration of a business or company name does NOT give you the exclusive right to the use of that name in the business world. It does NOT allow you to stop others using that name to denote their products or services. It does NOT protect you from claims by others that you are infringing their rights to the use of the name.

So why should I register the name? Well if you want to register a company you need to give it some name and if you want to trade under a business name other than your own then the law requires you to register a business name.

But if I do not get any exclusive rights to a business name, what is the point of making me register it? The registration is not designed to protect you – it is designed to protect the consumer. The government wants the consumer world to be able to know who they are dealing with when they deal with your business. So what you think you are doing to protect your rights is actually just helping to protect the rights of consumers and doing nothing for you – or at least almost nothing.

Why almost nothing? If you register a business or company name, it will prevent others from registering an identical or nearly identical name.

Well isn't that all I need? Definitely not. Registration by itself does not stop your competitors from using your registered business or company name as their trade mark to denote their goods and services. It does not protect you from infringing the trade marks of others and being sued for damages.

Surely when I register a business or company name someone checks to ensure I am not using a name used by someone else?

No – other than the fact that you cannot register a name that is identical or nearly identical to an existing registered business or company name in Australia. No one checks to see if your name will infringe a registered trade mark or even an unregistered trade mark used by others where they are used to denote certain products and services.

What do you mean by unregistered trade mark? A trade mark is a “sign” that can be one, or a combination of, a business name, a product name, a sub-brand, a distinctive catch phrase, a logo, picture or symbol, a colour, a sound, a distinctive product shape, an aspect of packaging or a scent. A trade mark can be registered or unregistered but if you want the protection that comes with a registered trade mark then you need to register it.

Why – what does registration give me? It gives you a sword and a shield.

A sword? Yes - If you register your business or company name as a trade mark in connection with the goods and services that you provide then you obtain rights against your competitors.

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You can stop them starting to use an identical or similar trade mark anywhere in Australia in connection with the same goods and services that you provide. It is the most powerful protection for you against unauthorised use of your trade mark.

What about the shield? Registration and proper use of a trade mark provides a defence against allegations from others that you have infringed their rights to the use of a trade mark.

That all? Well it depends how successful you are but a registered trade mark can add substantial value to your business. Any ultimate purchaser of the goodwill of your business should attribute value to the existence of the trade mark.

So does the business or company name become the trade mark? You can keep it as simple as a name or you can expand it to include the things described above – including a logo, picture or symbol, a colour, a sound etc.

Do I have to trade under a name used in the trade mark? No. Use of a trade mark is where the mark is being used to denote the source of goods and services offered for sale by you. In other words, your company or trading name can be used as a “badge of origin” for your products or services but it doesn’t have to be. You can have a company or business name and one or more separate trade marks.

If I choose just to use a name, can I register any name as a trade mark? No. Broadly speaking, a trade mark needs to be:

- Not substantially identical to any other registered trade mark; and
- Not deceptively similar to any other registered trade mark; and
- Not descriptive in the sense that you cannot register something that others may need to use in the normal course of their trade (such as geographical names, common surnames and trade expressions).

How do I get a trade mark? You need to apply. You need to choose your trade mark and the goods and services to which they relate. We can undertake the required preliminary searches and prepare the application for you.

What do you mean by referring to the goods and services? You cannot register a trade mark that prevents any one from using that mark with ANY goods or services. You have to specify the class of goods or services it applies to and the protection is generally limited to the use of a trade mark with those goods and services but not others.

If I apply will I be guaranteed that the name will be registered? No. The application process involves substantive examination by a trained examiner at IP Australia and there is always the risk that a third-party may have a valid objection because they already have a trade mark that would be infringed if your application was approved.

How long will it take? About 7.5 months because complying with an international treaty chews up the time.

A treaty? Yes. The general rule is that if two applicants want the same or substantially similar trade marks for use in Australia then the first to apply for it in Australia gets priority. An exception to the rule is where someone applies for your preferred trade mark in another country today and you apply for the same trade mark in Australia tomorrow. If the overseas applicant is successful then they have 6 months to apply for registration of the same trade mark in Australia. If they do this then they take priority over you even though you were the first to apply in Australia.

So I have to wait 7.5 months to get protection? No. If you are successful in registering your trade mark then the protection is backdated to the date you filed the application. These are all reasons to apply sooner rather than later.

What will it cost? Simple question but the answer is “It depends”. There are a host of factors that feed into the cost including the number of classes of goods and services you want protection for and the filing fees and the search fees which keep changing when the



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government needs more money. Rather than attempt to price all options in this flyer we suggest you give us a call. We can get the basic details from you and then give you the likely cost - all at no charge to you.

If I register a trade mark will that allow me to stop others using it? Yes and No.

What? We are over simplifying it but to stop your competitors, their infringing trade mark must be used on the same or similar goods or services for which your trade mark is registered and the infringing trade mark must be sufficiently similar to your trade mark to cause confusion about the origin of the product.

That all? No. If someone can prove that they were already using an unregistered trade mark when you apply for your trade mark then they will be entitled to continue to use it. If they start to use an infringing trade mark after you have applied for your trade mark (which is then registered) then you can stop them. This is yet another reason to not delay making your application.

If I catch someone out infringing my registered trade mark, what can I do? You can get an injunction to stop them, get an order that they pay their profits to you, get an order making them deliver up any infringing stock to you for destruction and sometimes you can even claim punitive damages.

So if I infringe someone else's rights, even if unintentionally, I could be the subject of a claim for an injunction, account for my profits, deliver up my stock etc? Yes.

So what do you recommend? If the company name is to be used as a trade mark in respect of the goods and services you offer then it is vital to ensure that name does not infringe on a prior registered Australian trade mark before the name is registered. We suggest you first have us undertake some searches to check there are no obvious problems and if those search results are OK then to apply to secure that name as your registered trade mark.

Anything else I need to know? Yes. We cannot cover off everything in a short flyer like this. It is

designed to alert you to the issues and prompt you to do something to protect your intellectual property.

Contact us below to talk to one of our Intellectual Property experts:-



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Current as at February 2024

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