

## Trade mark registration – a simple way to add value to your business!

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A trading name and the brand names (or trade marks as they are also called) used by a business for its goods and/or services are some of the most valuable assets a business owns. Yet while businesses invest significantly in their brands via creative agencies when launching new brands or refreshing existing brands and promoting them via marketing campaigns, many do not then take the extra step of protecting these valuable intangible assets via trade mark registration. Businesses that do not register are left with inferior legal rights in the form of unregistered trade marks (ie goodwill only).

There are a variety of reasons why businesses do not register their brands (including logos, names, and slogans). Some reasons include cost, priorities and a lack of understanding of the many benefits of registration.

However, registration provides a business with significant commercial and legal advantages over unregistered trade mark rights and a business should strongly consider registering some, if not all, of its key brands.

Unregistered rights accrue from the date a brand is first used for goods and/or services in the marketplace. Such rights are typically geographically limited to the place(s) where the brand is used (ie the 'brand footprint') and limited in scope to the goods and/or services actually provided. These legal rights are enforceable in New Zealand under consumer legislation (eg the Fair Trading Act 1986), however, the time and cost expenditure enforcing such rights is often very high, and in general, the likelihood of success is lower.

By contrast, registered trade mark rights are governed by the Trade Marks Act 2002 and provide a brand owner with significant commercial and legal advantages over and above unregistered trade marks (ie stronger and more certain rights).

### **Advantages of registration include:**

#### **1. Cost-benefit analysis**

The long-term benefits can significantly outweigh the initial cost in securing registration, given registration provides the owner with an exclusive legal right for an initial 10-year period.

#### **2. Nationwide exclusivity**

Registration provides exclusive rights throughout New Zealand (ie no geographical limitations).

#### **3. Broader protection**

Registration protects a mark for the goods and/or services it is registered for as well as for similar goods and/or services, even if the mark is not in use (ie much broader protection than unregistered rights that are limited to the goods and/or services for which a mark is actually used).

#### **4. Easier to enforce**

Registration provides clear evidence of ownership and the extent of those rights, enabling the owner to bring an action for registered trade mark infringement where another party uses an identical or confusingly similar mark in connection with the same or similar goods and/or services. Enforcement of registered rights is typically more straightforward (the registration itself is evidence of legal rights), less expensive, and the likelihood of success is higher as compared to relying on unregistered rights.

#### **5. Deterrent value**

Trade mark registration provides an effective deterrent to others using or attempting to register an identical/confusingly similar mark because registrations are freely searchable on the New Zealand Trade Mark Register at the Intellectual Property Office of New Zealand (IPONZ).

#### **6. Business asset**

A registration provides the owner with an asset that can be sold (alone or with the whole business), licensed (in return for licensing fees/royalties) and used as security (to borrow money) and because of this are inherently more valuable than unregistered marks and easier to value. Registered marks therefore add significant value, enhance the balance sheet of a business and are more attractive propositions for potential buyers.

## 7. Potentially indefinite exclusive rights

If renewed every 10 years, a registration can remain on the IPONZ Register indefinitely (subject to challenges for non-use/invalidity). This characteristic is particular to trade marks as other forms of registered intellectual property (eg patents and registered designs) have a limited lifespan. Unregistered rights only remain enforceable whilst in use or while they retain sufficient reputation in the marketplace but eventually extinguish.

For these reasons, it is prudent that businesses protect their brands via trade mark registration. Ideally a business should register its brands before they are used, but there is no time limit on registration - brands may be registered even if they have been used for a considerable period of time. In short, trade mark registration is an effective mechanism that should be utilised by all businesses to add value.

*This article was written by [Hamish Selby](#) and [Sophie Thoreau](#) for the [NBR](#) (October 2019).*

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