

## A burger with a side of trade mark law!

Hamish Selby

9 November 2020

Your business has spent lots of time and money developing, promoting and registering its brand. Job done right? Well, no, not quite. Like managing any key asset such as a house, there are several considerations to managing brands/trade marks, which once registered, every trade mark owner should be aware of.

### Use your brand

Sounds simple, but if not used, registered trade marks can quickly become vulnerable to revocation as registrations operate on a 'use it or lose it' principle. In fact, McDonald's had its EU trade mark registration for BIG MAC revoked due to its non-use in the EU marketplace. The non-use has subsequently cleared the way for potential business expansion opportunities to the party revoking the registration, Supermac's, an Irish fast-food chain - the name comes from owner Pat McDonagh's nickname in his heyday as a college Gaelic football player.

Under New Zealand legislation (Trade Marks Act 2002), trade mark registrations become vulnerable to revocation if they have not been used for a continuous period of three or more years in relation to the goods and/or services they are registered (or at least some of those goods and/or services). In these circumstances, third parties (read competitors) can apply to revoke your trade mark registration from the New Zealand Trade Mark Register. In such cases, the competitor may be able to use the same or at least a very similar mark themselves and otherwise take advantage of your brand.

The lesson here is that you should be vigilant about the use made of your registered trade marks. You should also have in place a maintenance programme, especially if you stop using a trade mark for any period.

It is also not enough to use the trade mark in a token way to ward off the threat of revocation, as use under the Act must be genuine. Unfortunately, there is no bright line test for determining what is genuine use, as there are many different factors and considerations to apply depending on the trade or industry your business operates in (for example, the test for genuine use for mass produced and inexpensive goods versus bespoke and expensive goods will be different).

There is an exception to the non-use rule if your business was unable to use its mark during the three-year period due to special circumstances. The 'special circumstance' exception appears to have a very high-threshold however and arguably, non-use due to COVID-19 conditions may not even be enough.

### Use trade mark symbols and notices

A simple way you can protect and maintain your trade marks is by simply using the correct trade mark symbol and in a consistent manner.

You should use the <sup>TM</sup> symbol if you are claiming your trade mark, whether it is a word, logo and/or device is a trade mark (ie your exclusive property). The ® symbol can be used if you have officially registered your trade mark (filing an application is not the same). Trade mark notices, which can be combined with existing copyright notices, stating a word, logo and/or device is a trade mark can also be used for the same purpose.

Use of either trade mark symbol, especially the ® is particularly effective because it conveys to the world that you have a registered trade mark. This is important, because let's face it, nobody except trade mark lawyers look at the Trade Mark Register!

Proper and consistent use of trade mark symbols and notices instantly tells competitors (and everyone else for that matter) that your brand is a trade mark and nobody else can use something that is the same or similar unless they have your permission (eg via a trade mark licence or similar arrangement).

### Stop your brand from becoming generic

Some trade marks fall victim to their own success. If a brand name becomes the generic name to describe certain goods or services in the minds of consumers, then that name will no longer function as a trade mark. That brand name will also be vulnerable to revocation if it is registered as a trade mark and the registration can be revoked under the Trade Marks Act in the same way as trade mark that has not been used.

Recent examples of brand names that risk genericism include Xerox (eg "I will use the xerox"), Google ("I'll just google it") and Bandaid ("just pop a bandaid on that"). A local example is jandal, which was originally a trade mark.

To protect against genericism, brand owners should always use trade mark symbols. Owners should also be careful about the way they use their brand names and never as a verb (eg 'Google' is good but references to 'Googling' not so much).

## Seek legal advice

This final consideration might sound a little cheesy (we know) but your business should consider obtaining advice about its trade mark management and maintenance and to do it sooner rather than later. This way you can adopt best practice, enhance the value of key intangible assets and not allow a competitor to take advantage of any weakness.

Put another way, it's important to first eat your greens (ie do the legal), because only then can you truly enjoy and savour every bite of a burger combo (ie your business value and profitability)!

*This article was written by [Hamish Selby](#) (Special Counsel) and [Emma Rehman](#) (Solicitor).*

### Auckland

188 Quay Street  
Auckland 1010

PO Box 1433  
Auckland 1140  
New Zealand

P: +64 9 358 2555  
F: +64 9 358 2055

### Wellington

Aon Centre  
1 Willis Street  
Wellington 6011

PO Box 2694  
Wellington 6140  
New Zealand

P: +64 4 499 4242  
F: +64 4 499 4141

### Christchurch

83 Victoria Street  
Christchurch 8013

PO Box 322  
Christchurch 8140  
New Zealand

P: +64 3 379 1747  
F: +64 3 379 5659