

Sending your brand out in advance

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It's trite that doing business overseas is different from doing business in New Zealand.

Most New Zealand business owners are aware of this and do the homework before taking their businesses offshore.

Due diligence into the commercial environment is a matter of course - if there is no market then there is no point.

Checks on the regulatory side are also natural, and will be informed by the New Zealand experience, further due diligence, and advice from contacts and stakeholders in the target market, such as distributors.

However, many owners either overlook whether their brand can also travel with them or assume that it will simply tag along.

The problem is, brands are subject to local laws at the overseas destination just as much as the underlying business itself.

Just because you've been free to use your brand in New Zealand, that doesn't mean you are free to use it at the destination.

Unless you are willing to take on the risk that your brand cannot be used in the target market, some level of clearance or freedom-to-use check is prudent.

Local contacts may be able to provide a first level of assurance from their own knowledge of the market.

Professional help on top of this will provide an extra level of comfort and there are any number of dedicated international search providers who can provide clearance packages for single countries or groups of countries at a very reasonable price.

In New Zealand, once you know you are free to use your brand, you have a choice whether to protect it with registered trade marks or instead rely on unregistered trade mark rights.

Most choose registration for the certainty it brings. Some would rather rely on their unregistered rights and take on the risks associated with that.

But it's worth remembering that the dual protection for brands that operates in New Zealand – with registered and unregistered rights - does not operate everywhere else overseas.

This is especially so among our trading partners in East Asia.

Hong Kong, Singapore and Malaysia all share the New Zealand approach. However, China, Japan, South Korea, Thailand, Vietnam, Indonesia and The Philippines do not.

In those countries, the first person to register a trade mark is the owner. Each of the countries gives a nod to prior users. However, a typical new brand from New Zealand is unlikely to reach the threshold for recognition without a fight.

For some business owners, the differences in the laws won't make a difference to the strategy for taking their brands overseas – they will rely on the brand being able to tag along.

However, if you are looking for certainty and wish to avoid unpleasant surprises, it may be worth taking steps in advance to ensure that the brand will be available in the new market when the business arrives.

For the first-to-register countries, and as a matter of prudence elsewhere, securing the brand in advance is the key so that rather than tagging along, the brand will be there to welcome the business and support it when it arrives.

This article was written by John Glengarry for the NBR (October 2017).

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