



“BUSINESS NAMES vs DOMAIN NAMES vs TRADE MARKS”

Be aware...

It is a (very!) common misconception that the registration of a business name (under the *Business Name Registration Act 2011 (Cth)*), company name (with ASIC) or a website domain name confer some form of ownership or exclusive rights to the use of that name in Australia. It doesn't!

Only if the name is registered as a trade mark does it confer such rights. Having a registered trade mark can provide legal protection for your business, its brand(s) and goodwill and gives you statutory rights to prevent another business from using the same or similar trade mark. A registered trade mark can also be your most valuable marketing tool, as well as quite often an appreciating asset on your balance sheet.

Choosing a business name that infringes (inadvertently or otherwise) an existing trade mark can be a costly exercise. It could mean drawn out disputes, legal costs and possibly being compelled to cease using your business name amongst other matters – see below....

Penalties for Trade Mark infringement

The courts may award relief pursuant to s.126 of *Trade Marks Act 1995 (Cth)* (“the Act”) as follows:

Injunction

The court may grant an injunction, on any conditions the court thinks relevant. Under an injunction the registered trade mark infringer will be required to cease using the infringing name, image etc.

Damages or an account of profits



The court may, at the option of the registered trade mark owner, grant the registered trade mark owner damages or an 'account of profits'.

However, the registered trade mark owner will not be granted damages or an account of profits if:

- the infringer has applied for an order that the registered trade mark is removed from the trade mark register in respect of the infringing goods and services; and
- the court find that the registered trade mark was not used in good faith by the registered trade mark owner in relation to those goods and services, during the period the registered trade mark was claimed to be infringed.

Additional damages

The court may grant additional damages if the court considers it appropriate by having regard to:

- the flagrancy of the trade mark infringement;
- the need to deter similar infringements of registered trademarks;
- the conduct of the infringer that occurred after the trade mark infringement;
- the conduct of the infringer that occurred after the infringer was informed that it had allegedly infringed the registered trade mark;
- any benefit accrued to the infringer as a result of the infringement; and
- any other relevant matters.

Penalties for importation

Other penalties under Part 13 of the Act relate to goods imported into Australia which infringe or may appear to infringe a registered trade mark. These penalties include the seizure, inspection and recall of goods which bear the infringing trade mark.

What's the point of registering a business name then?

The purpose of registering a business name is to ensure that consumers and businesses that you deal with are able to identify or ascertain who the operator or actual legal owner of the business is.

Registration also ensures that every business complies with the *Business Name Registration Act 2011 (Cth)*. Registration is mandatory (with some exceptions) and it must be done before the business starts trading.

Businesses who fail to register their business name can be fined.



Things to note when registering a business name

Be aware of the following that appears on ASIC's website when you register a business name:



Things to be aware of

Read and tick all boxes

- ☐ The holder may be inadvertently infringing someone else's trade mark with the proposed business name. Choosing a business name that infringes an existing trade mark can be a costly exercise—it could mean hefty legal bills, drawn out disputes and even the closure of the business. That is why it's so important to undertake a trade mark (TM) check. [Visit IP Australia to search trademarks](http://www.ipaustralia.gov.au/)

As a precaution, you should always check whether your business name may infringe a registered trade mark by conducting a trade mark search using IP Australia's website (<http://www.ipaustralia.gov.au/>).

If your registered business name infringes a registered trade mark, the trade mark owner may apply to the courts to cancel your business name.

If the trade mark owner is successful, it will mean you have to trade under a new business name, change your marketing and advertising materials and signage, and lose the branding and the goodwill that you have built up under the old business name.

What about a Domain name?

A domain name is your unique website address (or more specifically the Universal Reference Locator (URL) on the internet (e.g. www.murfett.com.au), it is the online identity for your business. Modern technology and our increasing reliance on the internet means that domain names are important marketing tools to generate traffic for businesses.

Although a third party cannot register a domain name that you have already registered, this again does not mean that you have the exclusive right to use the domain name.

Similar to a business name, if your registered domain name infringes a registered trade mark, as detailed our earlier comments regarding "Penalties", the trade mark owner may (issue a 'cease and desist' letter, demanding that you cease using the domain name. The trade mark owner can also commence proceedings against you for 'passing off' their registered trademark.

What is a Trade Mark?

A trade mark is a right that is granted over a word, phrase, letter, number, sound, smell, shape, logo, picture or packaging your business uses to represent its goods and services. It is used to distinguish your goods or services from your competitors.

A registered trade mark under the *Trade Marks Act 1995* gives you the exclusive legal right to use, license and sell your intellectual asset in Australia.



Once registered, it is a balance sheet item and is an appreciable asset. When you eventually sell the business, the registered trade mark may add value to the sale.

How do I register a trade mark?

You can register a trade mark online using IP Australia's website. However, before applying for a trade mark, you should be clear as to the following:

1. who the owner of the trade mark will be;
2. whether you meet the legal requirements;
3. whether the proposed trade mark is likely to infringe another registered trade mark.

Please note that you need to select the appropriate classes of goods and services from IP Australia's list of 45 classes. In addition, you will be required to shortlist "sub-classes" for each class that you have picked.

What gives the greatest protection?

In order to achieve the best protection for your business' brand you should seek the registration of trade marks for both its Name and Logo. However, if you are unable for any reason to apply for registration of both your Name and Logo, the Name will generally provide greater scope of protection.

This is due to the fact that a Name is, in our view intrinsically less distinctive than a Logo, which has the following consequences:

- an increased likelihood that marks used by other businesses will be considered substantially identical with or deceptively similar to your registered trade mark, and consequently be an infringement of your registered trade mark; and
- an increased likelihood that your application for registration will be rejected for lack of the ability to distinguish your goods and/or services from those of other businesses the same or similar goods or services.

From the above, it is evident that when applying for a registered trade mark you must carefully balance the scope of the protection you will receive, against your prospects of having an application approved.

This process can be very tricky (and also tedious and time-consuming) and if it is not done correctly, the registered trade mark may not be effective against another trade mark if you had failed to select the correct classes and sub-classes.

We suggest that you seek legal advice and assistance to ensure that the registration process is done properly.



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For further information contact Murfett Legal by telephone on +61 8 9388 3100, via our website at www.murfett.com.au or email one of the following directors:

[Jason De Silva](mailto:jason.desilva@murfett.com.au) : jason.desilva@murfett.com.au

[Kelly Parker](mailto:kelly.parker@murfett.com.au) : kelly.parker@murfett.com.au

[Peter Broun](mailto:peter.broun@murfett.com.au) : peter.broun@murfett.com.au



Level 2, 111 Wellington Street, East Perth WA 6004 • PO Box 6314, East Perth WA 6892
T: +61 8 9388 3100 • F: +61 8 9388 3105 • E: reception@murfett.com.au
ABN 74 120 362 825 • W: www.murfett.com.au

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