



**Y**our brand - the first thing a customer recognises on your packaging and how they associate goods with your brand and its business reputation. Businesses protect their brand value by registering trade marks for their brands. But what happens if you lose that trade mark (ie the exclusive right to use it for your brand)? A trade mark registration is vulnerable to being removed if the registered owner does not use it. But using it, without losing it, is not as simple as it may seem.

### 1. Who can apply to remove it?

Trade marks are registered for specific goods and services. You can have the same trade mark as someone else if they are registered for different goods or services.

Anyone may apply to remove a trade mark from the register for any or all of its registered goods and services if the trade mark is not used for those goods or services.

That person does not need to be an 'aggrieved person'. Although it can be anyone, it is often a competitor.

### 2. When are you vulnerable to losing it?

Currently a trade mark owner must 'use' the trade mark within 5 years of the filing date of the registration. This period will be reduced to 3 years by 25 February 2019 (or earlier).

This means if the registered owner does not use a trade mark within 3 years from the filing date, anyone may file a non-use application to have the trade mark removed. Use after that time may be enough to defeat a non-use application. However, timing is everything.

### 3. When will a non-use application succeed?

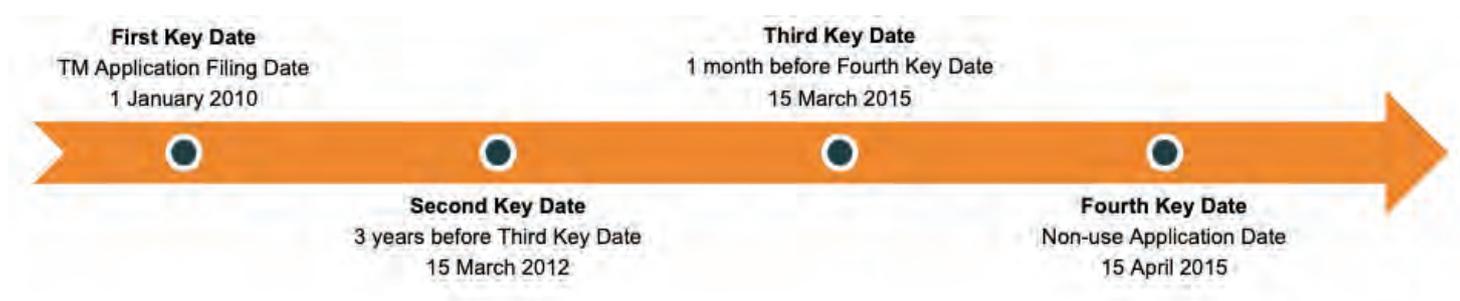
The trade mark will be removed from the register if the registered owner:

- (a) fails to oppose the non-use application; or
- (b) is unable to show it 'used' the trade mark for those goods and services in the 3 year period ending 1 month before the non-use application date.

This means the registered owner will no longer have the exclusive right to use that trade mark for those good or services.

The life of a non-use application timeline (with example dates):

The registered owner needs to provide evidence of use of the trade mark for the relevant goods and services between the Second and Third Key Dates.





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## GUIDE TO USING AND NOT LOSING YOUR TRADE MARK *Cont'd*

### 4. 4 tips to ensure you are 'using it'

Registered owners need to ensure they are 'using' their trade marks. Bespoke's Intellectual Property team suggests the following as a basic guide to 'using it':

#### (a) Be careful when making changes to your trade mark

The trade mark you 'use' must be substantially identical to the trade mark on the register. Additions and alterations that do not substantially affect the identity of the trade mark may be allowed. However, the test is relatively strict.

**TIP:** Make sure your marketing and design team check new products and labels against the original registered mark before they are rolled out.

#### (b) Consider the standard of your use

Even minimal use, such as a single sale of a product with that trade mark, may constitute use.

But what if sales have only been overseas or through e-commerce platforms?

In borderline cases, the registered owner may be required to show evidence of 'an objectively ascertainable commitment' to supplying the goods or services in Australia. Discussions with distributors may not be sufficient in these circumstances, for example.

**TIP:** Make sure you consider if you have 'used' the trade mark in good faith well before the 3 year period expires and seek expert advice if there is a risk you have not satisfied the requirements for 'use'.

#### (c) Ensure you control use by your associated companies and licensees

Many businesses utilise their corporate structures to protect assets, including intellectual property. For this reason, a non-trading company is often the registered owner of a trade mark, which it licenses to its related trading companies and/or third party licensees (eg local distributors).

In this scenario, use by the 'registered owner' is still required. So, what should registered owners do in this situation?

**TIP:** First, the registered owner should have a trade mark licence agreement with the licensee (being the related trading company or third party user). The licence should clearly specify the rights of the licensee to use the trade mark as an authorised user. The registered owner's right to control the trading company or third party's use of the trade mark should also be specified. Second, and often most importantly, the trading company or third party's use of the trade mark must be 'under the control' of the register owner. This is determined on a factual basis.

Financial or quality control will often suffice. However, issues may arise when the trading company has authorised a third party (eg an overseas manufacturer) to use the trade mark. In this case, the registered owner is not exerting financial or quality control over the user of the trade mark, being the third party. Instead, registered owners may be required to prove that they knew of and approved the trading company's 'use' of the trade mark and that the manufactured goods were made 'under the aegis' of the registered owner.

Third, this is complex so seek advice from trade mark experts.

#### (d) Have a well thought out specification

From the outset, each trade mark specification should be well thought out and drafted by a trade mark expert before filing. A balance needs to be struck between covering the broadest range of goods and services possible (to achieve maximum protection) and ensuring the specification does not include goods and services that your business is unlikely to use the trade mark for within the grace period (currently 5 years, soon to be 3 years).

If the specification is too broad, you may risk losing your trade mark registration for those goods and services if challenged by a third party. Regardless, you may be required to go through the time and expense of providing evidence of use for the goods and services you have used the trade mark for.

**TIP:** Think about your current and future use of the trade mark and how you will use the trade mark to associate goods and services with your brand and reputation. Seek expert advice before filing.

If you are a brand owner and want to protect your trade marks, get in touch with Bespoke's Intellectual Property team for assistance with conducting a trade mark audit of your business, applying to register your trade marks, corporate structuring advice and other trade mark issues as they arise.



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