

EXECUTIVE SUMMARY

In this article we focus on the importance of registering trade marks and some of the major benefits of doing so.

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REGISTER YOUR TRADE MARK

A trade mark is a vitally important and valuable asset. By recognising the importance of your trade marks, and ensuring they are protected, you will be taking a crucial step in the development of your brand.

A trade mark has the purpose of distinguishing the goods or services offered by one party from the same or similar goods or services offered by competitors. Trade marks can be in the form of words, logos, shapes, patterns, colours, colour combinations and

more.

Substantial rights in terms of the Trade Marks Act No. 194 of 1993 ("Trade Marks Act") arise when a trade mark is registered.

Monopoly right

A registered trade mark provides the trade mark owner with the exclusive right (monopoly right) to restrain others from using the same or a similar mark in relation to the same or similar goods and/or services. This allows a trade mark owner to protect their brand and prevent the unauthorised use of their trade mark by competitors.

Protection against conflicting company and domain names

In South Africa, the trade marks register is separate from the companies register. When a person applies to register a company, the relevant officials do not check the proposed company name against the trade marks register and therefore, registered company names may conflict with registered trade marks. On this basis, the owner of a registered trade mark may lodge a formal objection to the registration of a company name with the Companies and Intellectual Property Commission ("CIPC") or may institute trade mark infringement proceedings in Court.

Registered trade mark owners may also object to the registration and use of domain names which are the same as or similar to their registered trade mark.

Trade marks as assets

A trade mark is an asset to which goodwill attaches. Goodwill can be described as a business' reputation in the marketplace. Registered trade marks can be assigned a monetary value based on goodwill and the resulting profitability in the marketplace. Valuable registered trade marks should be reflected on a business' financial statements and can be sold or used as security in the same manner that tangible assets can be utilised.

Trade mark licensing

Trade mark owners can license out their registered trade marks to other parties, thereby retaining ownership of the trade marks but permitting others to make use of the trade marks in accordance with the licensing agreement between them. The licensee will enjoy the benefits attaching to the trade mark in terms of the Trade Marks Act, such as the right to prevent others from infringing using infringing trade marks. Trade mark licensing is a common practice in franchising.

Extend your trade mark protection beyond South Africa

Trade marks are territorial in nature, meaning that when a trade mark is registered in South Africa, it is only protected within South Africa. However, when a person has lodged a trade mark application in South Africa, they can apply for

the same trade mark in other countries and backdate the application date in such other countries to the same date of application as that of the trade mark in South Africa. This means that their subsequent trade mark applications in the foreign countries will take preference over other parties' trade mark applications made in those foreign countries after the earlier South African trade mark application date.

Contact us at simonp@harty.law for further information or assistance.

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