Why register a trade mark?

Trade marks (brands) are part of our everyday life. Every item that we buy or service that we use is trademarked. It is the trade mark that tells us why a particular product or service is different or better than another similar product or service. It is the trade mark that tells us why we should pay more, and sometimes even less, for a particular product. As a result of this association with a product or service, trademarks acquire a value independent of the product or service to which it is applied. The COCA-COLA trade mark is worth more than all the factories, plants, etc. of the Coco-Cola Company. The DISCOVERY trade mark is probably worth as much as all the immovable property of that company.

Trade marks, like any other asset should be protected. Trademarks are protected through registration thereof in terms of the Trade Marks Act. Once registered, the owner of a trade mark can stop any party in South Africa from using that trade mark or any confusingly similar trade mark in relation to the goods or service in respect of which the trade mark is registered. Without a registered trade mark it will be very difficult for a hotel in Nelspruit with the name SERENDIPITY to stop a guest house in Barberton from using a similar name.

One of the myths is that by registering a company or close corporation incorporating the trade mark, the trade mark is also protected. The fact is that there are no rights flowing from the mere registration of a company or close corporation, the trade mark SERENDIPITY is not protected by the fact that the close corporation Serendipity Guest House CC exists. The only way that a trade mark can be protected is by registration in terms of the Trade Marks Act.

The Trade Marks Act provides that virtually everything can be registered as a trade mark, provided that it can distinguish one product or service from other similar products or services. The Act provides that names, shapes, containers, numerals, signatures, colours, and slogans, to mention but a few can be registered as trademarks.

The registration of a trade mark lasts for ten years and is renewable indefinitely every ten years against payment of a nominal fee. Apart from protecting trademarks, registration of a trade mark has many other benefits:

- Trade marks acquire value independent of the product or service. It is

very difficult to put a value on the trade mark unless the trade mark is registered. It is for example possible to sell a business, but keep the trade mark associated with the business. In many cases the value of the trade mark will be more than the value of the actual business, but without a registration of the trade mark, it might be difficult to differentiate the value of the business and the trade mark.

- Trade marks can be licensed to third parties. If the trade mark is not registered, the licensing becomes extremely difficult. Use of a registered trade mark in most cases affords the right to use a trade mark, i.e. use of a registered trade mark cannot amount to infringement of another registered trade mark.

The registration of trademarks is administrated by the Registrar of Trade Marks which form part of The Companies and Intellectual Property Offices (CIPRO) situated in Pretoria. The process can be fairly complex sometimes. Not only must the trade mark be classified into one of the forty five international classes, depending on the goods or services to be protected, but the trade mark should also be accompanied by a specification of goods or services. The Registrar of Trade Marks, after filing, will examine the trade mark and will then in many cases issue a somewhat technical official action, to which the trade mark applicant must respond. The trade mark, if accepted, must be advertised in the Patent Journal and this is also the responsibility of the trade mark applicant. It is for this reason that it is suggested that a trade mark application should be handled by a specialist.