

# Benefits of trade marks

A trade mark can be your most valuable marketing tool. The public and very much prospective business partners identify a certain quality, reputation and image with goods and services bearing a trade mark. The more successful your business is the more valuable the trade mark becomes.

If you are thinking about a new product or service and you want to establish an image for it, you should consider a distinctive trade mark under which to market it.

## Registered trade marks

As the owner of a registered trade mark you:

- have the exclusive right to use your registered trade mark as a brand name for the goods or services specified in the registration
- have the exclusive right to authorize other people to use your registered trade mark for the goods or services specified in the registration
- have a registered trade mark that is personal property and can be sold
- have a registration that usually covers the whole of the RSA
- may give the South-African CIPC notice objecting to the importation of goods that infringe your registered trade mark
- can be in a stronger position to stop other people from using your trade mark as their brand name on the same or similar goods or services of your trade mark registration.

## What is a trade mark (or brand)?

A trade mark is a sign which can distinguish your goods and services from those of your competitors (you may refer to your trade mark as your "brand"). It can be for example words, logos or a combination of both. The only way to register your trade mark is to apply to us - The Intellectual Property Office.

You can use your trade mark as a marketing tool so that customers can recognise your products or services.

Trade marks are acceptable if they are:

- distinctive for the goods and services you provide. In other words they can be recognised as a sign that differentiates your goods or service as different from someone else's.

## Benefits of registration

Registering your trade mark gives you the exclusive right to use your mark for the goods and/or services that it covers in South-Africa.

If you have a registered trade mark you can put the ® symbol next to it to warn others against using it. However, using this symbol for a trade mark that is not registered is an offence.

A registered trade mark:

- may put people off using your trade mark without your permission
- makes it much easier for you to take legal action against anyone who uses your trade mark without your permission

- allows Trading Standards Officers or Police to bring criminal charges against counterfeiters if they use your trade mark
- is your property, which means you can sell it, franchise it or let other people have a licence that allows them to use it.

## Seven Reasons to Register Your Trademarks (American Information worth the read and applies in South-Africa)

Bruce Springsteen may be known as “The Boss,” but he is not The Boss when it comes to controlling his trademark as a domain name. The famous rock ‘n’ roll singer lost his [www.brucespringsteen.com](http://www.brucespringsteen.com) domain name arbitration dispute to a notorious cyber squatter partly because he had never registered his name as a trademark with the United States Patent and Trademark Office (“USPTO”). If it can happen to Springsteen, it can happen to you. Here are seven reasons why you should become and remain The Boss of your trademarks by filing for federal registration.

**1. Valuable Asset.** In today’s Internet economy, trademarks are a valuable asset for companies of any size and federally registering your trademarks with the USPTO grants you valuable national rights to the trademarks. Coca-Cola® is consistently ranked as one of the world’s most valuable trademarks with annual revenue generating capacity in the billions of dollars.

**2. Nationwide Priority.** By registering your trademarks federally, you preserve the right to expand your business into geographic regions of the country where you have not previously conducted business. If you do not have a federal registration and you have only used your trademark in, for example, California and Nevada, another person that later files an application for registration of the same trademark -- even after you had started use thereof -- can prevent your use of the trademark in any other states other than California and Nevada.

**3. Tool Against Cybersquatters.** If a cybersquatter is infringing on your trademark by registering it as a domain name, federal registration of your trademark is one of the elements considered in legal proceedings to determine the rightful owner of the domain name. In addition, federal registration allows a hold to be placed on the domain name until the ownership dispute is determined through arbitration or by a court, thus preventing the erosion of the goodwill and value in your trademarks. In a matter handled by our office, because our client held federal trademark registrations, we were able to force a cybersquatter to relinquish an infringing domain name without incurring litigation expenses.

**4. Advantages in Court.** Having a federally registered trademark provides the advantage of a legal presumption that you are the owner of the trademark, that the trademark is valid, and that you have the exclusive right to use the trademark nationally. The federal registration certificate provides a “stamp of approval” in the mind of a judge or jury that you are the rightful owner of the trademark. Furthermore, a federal registration provides the right to sue in federal court assuring oversight by judges that are more familiar with trademark matters than those in the state courts.

**5. Enhanced Remedies for Infringement.** A federal registration provides notice and acts as a deterrent to potential infringers that you are the exclusive owner of the trademark. A federal registration allows for tripling of the actual damages suffered by the owner, plus attorneys’ fees if someone infringes on your trademark.

**6. Prevent Importation.** A registered trademark may be filed with U.S. Customs Service to prevent importation and allows for seizure of infringing foreign goods.

**7. Incontestable Trademark.** After five years of continuous use and registration on the principal register, certain grounds for cancellation of a registered trademark are foreclosed, thereby saving you tremendous litigation expenses. In another case handled by our office in which we represented the owner of an unregistered trademark that had been in use for over five years, the client was forced to expend litigation resources defending attacks on the validity of its trademark which would have been foreclosed by the five year registration.