

**REVIEW OF TRADE MARKS & BUSINESS, COMPANY & DOMAIN NAMES  
SUBMISSION -  
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**SYNOPSIS**

**Introduction**

The interface between trade marks and business names, company names and domain names create confusion in the market place. This submission looks at:-

- Problems and issues to businesses
- How could they be avoided
- Are there ways to improve the operation of these identifiers to make for easier access, reduce confusion and provide a more streamlined and/or effective service.

**Facts**

As a general rule business, company or domain name registration does not provide the name holder with an exclusive right to use the name.

It is often mistakenly believed that business and company names:-

- grant proprietary rights
- grant immunity from infringement of a registered trade mark

**NSW Dept Fair Trading** published an issue paper and responses indicated dissatisfaction with the current situation

**Trade marks**

- Are used to distinguish goods and services of one trader from those of another
- Protect the goodwill of a business from abuse by others
- Offer a legal right to use, license or sell the trade mark within Australia

**Company Names**

- Is ascribed to a corporate entity and registered with ASIC
- The purpose of a company name registration is simply to award a unique name to a corporation.

**Business name**

- Is the name under which the business operates, whether a corporation, a partnership or as a sole trader
- Function of registration of a business name is to maintain a register of those who operate under a name other than their own.

**Note:** Unlike the registration of a trade mark, neither the registration of a company or business name of itself provides proprietary rights in the use of the name. Without registration of a name as a trade mark, a business name is unprotected.

**Domain Names**

- Registration of a domain does not confer proprietary rights in the use of that name

### **Australia's International Obligations**

The Paris Convention for the Protection of industrial property mandates:-

*“A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.”*

Therefore Australia is obligated to protect trade names irrespective of registration and independent of the protection which trade marks are accorded. Business and company names are two forms of trade names. Protection is available by virtue of that being the name under which a person or entity trades.

### **SUBMISSION / DISCUSSION**

3.2.1 Are present educative measures about the legal nature of business and company names adequate (cites web info from state and territory Governments, ASIC and IP Australia).

#### **Response**

- Other areas of Government work with Consultative groups (e.g Business Entry Point; ATO) to ensure that the law makers and enforcers understand the problems of the business operator – this, too, could be a solution for the Advisory Council on Intellectual Property, in this area of concern.
- Trade Mark acquisition must be made easier via the Internet. Even though IP Australia are promoting the ease of this action, it is not necessarily the case (see case study 1)
- Intermediaries could be offered funding to provide workshops for their members to ensure the educational process reaches the end users

#### **Rulings**

3.2.2 Can educative measures alone address the misconception as to the legal nature of business and company names

3.24 Should a trade mark register search be mandatory?

#### **Response**

If it is important for business operators to do a search of trade marks before registering business/company names, then the Office of Fair Trading could charge a reasonable fee to do it on the operator's behalf, as many would not feel capable or confident of doing this correctly

#### **Rulings**

3.2.3 Abolish the business name registers (as is the case in the UK)

3.2.5 Should State registration be replaced by one central register?

#### **Response**

- Abolish business/company/domain name registrations as separate registrations and only have trademarked names (at a reduced cost so that everyone commencing a business can afford it) – then there is no need to constantly be checking one against the other. Domain names would remain the same as the trademark with the .com following the name.
- Where does the ABN and ABR fit in here? With all the funds spent on providing a central ABN/ABR for businesses, why doesn't this become part of the registration process? It is a national (rather than state) registration and therefore would

eliminate doubling up or confusion – one business has one ABN/ABR and one name – which no other business can have.

### **Rulings**

3.2.7 Consider a two tiered trade mark system. There is an unprecedented number of applications for trade mark registration, could a two-tier trade mark system be put in place which in turn might equally serve to educate people as to the differences between the alternate forms of trade mark protection.

4.2 Currently domain names can infringe on a trade mark and if a dispute were to arise the registrant of the domain name may be liable to pay compensation and/or compelled to cease using that domain name – causing lost business.

### **Response**

- If registration of business names is replaced with a two-tiered level of trade mark it must ensure that the business name is protected, that no one else has it and no one else can use it. Domain names would need to be directly linked to this.
- The problem the Micro business operator has is that their perception is, that often the only IP they own is a business name and a domain name. A two tiered trade mark should go a long way in making this perception a reality. The registration body should do the search for the operator (at a reasonable fee) to ensure it is done correctly so that initial or secondary trade mark rights are not abused.

### **Case Study 1**

I was present at the National Small Business Forum in 2003 when IP Australia handed out information and made a point of stating that the micro business operator could now register a trade mark directly from the Internet, with ease and low cost. As I represent the micro business sector and promote new concepts to them, I was delighted with this prospect.

As I had a new business emerging (Micro Biz Navigator) I went to the IP website to register a trade mark, but certain parts of the web site would not work, so I rang and spoke to a very helpful officer. He actually checked out the main descriptions of what I wanted trade marked and assured me there was nothing similar already trademarked. I was able to download the forms and proceeded with the registration.

Eventually I received a 40 page document telling me my trade mark was not accepted as there were 18 other businesses using that name. My immediate response was “how could 17 use the name of the first one that had it?” When discussing the problem with the IP Officer, they suggested the 17 “must have had good patent attorneys.” The very concept IP Australia was trying to promote was shot down in flames with that one comment.

It appeared as though one of the problems was that the classes I had applied for did not really describe what it was I was trying to trade mark – as I saw it, there were no classes that adequately described what I was wanting to trademark.

I forwarded another letter of explanation and received another 7 page document from IP Australia. Another long (and helpful) phone call and I forwarded another written communication, attempting to delete most of the classes so that it could be approved.

The interesting thing here was that the words 'Micro Biz' were considered 'generic' and could not be included in a trade mark, but the third word 'Navigator' was not – and this was the word under contention. How absurd is that?

Also, the business I was attempting to trade mark had no similar business in competition (indeed this business type is unique). The problem lay in the fact that it might do *some* of the 'things' that the others using the word Navigator, also did e.g. produce manuals, involve in training

I am still waiting for a response. The website, business cards, pins (imported from offshore), promotional folders, letterhead etc have all had to be printed and made as I had to progress the business forward – all this will be lost if the trade mark is not successful. One suggestion I was given from IP Australia was to get a good patent attorney. I thought the whole purpose of this website development was to eliminate that cost and to encourage the micro operator to have their business names trademarked.

Is it any wonder that business operators do not often attempt to get trade marks!  
*Barbara Gabogrecan*

## **Case Study 2**

Currently Company names are governed by ASIC and almost any name can be registered providing it is not already taken as a business name and the business name is owned by the applicant. Consequently very close names can be registered and confused in the market place. This changed when ASIC took over in 1991. Before 1991 it was run by the states they would look at similar names already registered - this of course was a very slow process - probably one reason why they changed it. There are some company names which were registered prior to 1991 that have the same names and are only differentiated by their ACN because they were incorporated in different states.

Conversely business names are run by the states and each state doesn't follow the same rules. In Victoria they won't allow anything that is similar to something that is already registered. I have been registering business names for nearly 20 years and the "rules" keep changing. The "rules" are not provided to us in writing so it is often a frustrating experience when some names are rejected by Business Affairs and others are allowed to go through when we think they won't.

We don't deal with trademarks and domain names much - from what we do know - Trademarks are checked on the class of industry. Domain names - you used to have to have the name registered as a business name or company name to get it registered but when it was deregulated this was changed.

We have had some clients that have been written to by solicitors representing American firms that have threatened to take them to court if they don't change their name. This has happened if the name is only similar and is not even in the same industry.

The whole thing seems a huge mess but would be extremely difficult to change for existing names.

*Name supplied*

### **Case Study 3**

I don't like the sound of the business name insecurity at all. I tried to get a trade mark for my business name – 'Organise Your Life', as advised to, and after paying several hundred dollars for the application to be processed it was rejected because the name was too generic!! Such a waste of money. If I had lots of money to spend on a lawyer specializing in the area I may have been able to get around it, but course I was just a 'start up' business and wasn't in a position to do that. I would die if someone could come along and lay claim to the name I have built up and rely on. So I hope the possible new trademark legislation may ensure this does not happen.

*Name supplied*

### **Case Study 4**

It is obvious that auDa MUST have absolutely no say in domain names for businesses. It is only a license that is granted to have a domain name for 2 years. So, a business could spend maybe 4 years establishing the domain name as part of its business identity and auDA could change the policy to put all names up for auction.

Domain names used for business MUST be part of a businesses identity and not controlled by auDA. auDA needs to be either audited by ANAO or the subject of a parliamentary enquiry.

I had to put my business on the line because of Melbourne IT and auDA. I understand that there are others in the same boat because of the megalomaniac auDA.

*Name supplied*

### **Case Study 5**

Regulations for the protection of domain names, trademarks and company names need to be national. Most micro businesses do not have the time or funds to register in different states. I can think of nothing more time wasting, frustrating confusing and costly than forcing micro businesses to keep having to register a name they already use and are known by, or worse, having to change the name because it is registered elsewhere. Why are Australian states treated like different countries, with different laws and regulations? It doesn't make good business sense.

*Name supplied*

### **Conclusion**

There is definitely confusion in the market place, especially amongst those businesses that do not have the money or the time to go through the trade mark process.

Currently it is assumed that you must use a solicitor to acquire a trade mark, yet these operators often do everything themselves, by choice or necessity, so are unlikely to use a lawyer.

The entire discussion seems to be in contradiction to the Paris Convention. If Australia is bound to protect a trading name, then doesn't the discussion become academic? A name does not have to be registered or trademarked for it to be protected. Yet, in reality, that is not the case. Why?

The third case study shows how confusion is rampant amongst business operators; case study 1 and 3 brings to the fore a very pertinent point that encourages confusion ‘what is generic and what is not?’ This seems ludicrous to the ordinary business operator.

Case study 1 and 3 shows just how much time and effort have to be spent – often with negative results. Business operators just decide not to go the way of trade marks as there seems to be more unsuccessful stories than successful ones and all the former are costly and seem to be via a patent attorney.

Case Study 4 shows how angry and frustrated the current laws are for many business operators. Micro operators want to *own* their business, company and domain names as their intellectual property and are fiercely protective of them – yet the law ensures that they own absolutely nothing in the way of IP, unless they are prepared to spend a lot of money on a trade mark – and even then, if it is compromised, they would not have the resources to fight it in court, so they would lose, yet again.

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