

Company Names, Business Names, Domain Names & Trade Marks

As use of the internet and e-commerce continues to grow, the differences between trade marks, company names, business names and domain names can cause a greater degree of confusion for businesses and for the public.

Company names

A company name must be registered under the Corporations Act 2001 (Cth) administered by the Australian Securities and Investments Commission ("ASIC").

If a company wishes to trade using a name other than its registered company name, it is required to register that name as a business name under Commonwealth legislation.

Business names

A business name is simply the name under which a business is carried on. It should not be confused with a trade mark, which is a name or logo used to distinguish goods or services provided in the course of carrying on a business.

What does business name registration give you?

All businesses are required to register a name for their business with ASIC under the Business Names Registration Act 2011 (Cth), unless the business name consists of the name of each person or company carrying on the business.

The purpose of that Act is to protect the public by requiring those people or companies carrying on a business under a name other than their own name, to register that name.

It is an offence to carry on a business under a name which has not been registered when it should be registered.

Following the application, ASIC will ensure your proposed business name is not identical or nearly identical to any other company or business name.

Various obligations arise as a result of the registration process:

- Owners of registered business names are required at all times to carry on business under the registered name;
- The name must be displayed in a conspicuous position outside the registered address and on every business card, letter receipt and invoice issued in connection with your business;
- The full registered name is to be used at all times and abbreviations are to be avoided;
- The registration must be renewed every three years.

What registration of a business name does not do

Registration of a business name:

- Does not create a new legal entity;
- Does not entitle the business to limited liability or corporate tax rates;
- Does not give you any ownership of the business name.

A valid registration only prevents another person from carrying on a business under that name. It does not prevent another business from using a similar name, and it does not prevent the importation of goods with similar or substantially the same markings, flooding the local market. Protecting your organisation's reputation and product should be a priority. It is only through the use and registration of a trade mark (rather than a business name) that you can obtain true protection for and ownership of your name or mark.

Trade marks

A trade mark is simply a word, phrase or symbol used to denote the trade source of goods or services manufactured, provided or marketed by a particular trader. It is a "badge of origin". The purpose of the Trade Marks Act 1995 is to protect owners of registered trade marks against the unauthorised use of names which are distinctively associated with the goods or services of a particular business.

Registration of a trade mark can result in benefits to both the registered proprietor of a trade mark and to the public at large. Some of these benefits may include:

- A name or symbol that is easily recognised by the public is obviously valuable to your business;
- Assures the public that the product they are buying is of the quality they have come to expect and this confidence encourages long term consumption of the item;
- Valuable marketing and quality assurance tool;
- Distinguishes your product from those of competitors;
- Enables the public to readily ascertain the owner of the trade mark;
- Enhances consumer confidence;
- A registered trade mark (unlike registration of your business name) prevents a competitor from using your logo or name throughout the whole of Australia;

- A trade mark prevents the importation of goods bearing the same or substantially identical markings;
- The commercial value of a trade mark becomes clearly recognisable upon registration, and this can result in increased value in your balance sheet;
- The registered proprietor has exclusive use of the trade mark, which can be assigned or licensed to whomever the proprietor selects;
- Faster and more effective protection against infringement is available to registered proprietors, who only need show evidence of trade mark registration to institute proceedings for infringement;
- Certain actions in respect of registered trade marks are statutory offences.

Do you have a trade mark capable of being registered?

The term “trade mark” is now most commonly used to signify the rights in relation to a word, device or symbol registered under the Trade Marks Act 1995 (Commonwealth). The following words, devices, logos and symbols can be registered as trade marks:

- The name of a person represented in a special or particular manner;
- The signature of the applicant or of some predecessor in the business;
- Words that do not have direct reference to the character or quality of the goods or services, and are not geographical names or surnames;
- Invented words;
- Any other distinctive marks.

The marks must be distinctive, or capable of becoming distinctive. Some symbols and names are more easily registered than others. We can explain what is required in order to register a trade mark and can assist your business in the registration process.

Remedies available to owners of trade marks

If a competitor infringes the rights of your business, the owner of a trade mark is in a strong position. The trade mark may be enforced by:

- An array of statutory offences for infringement of registered trade marks pursuant to the Trade Marks Act;
- An action at common law may be available where the symbol or mark is sufficiently well known in the market place;
- Illegal use of your name or logo can also amount to a misrepresentation, misleading or deceptive conduct and where there is a likelihood of injury to the plaintiff’s business, an action may exist pursuant to s. 18 of the Australian Consumer Law.

Where the marks falsely suggest geographic origin or falsely suggest an affiliation or sponsorship they may be in breach of the Act. Marks suggesting the quality of the goods or services, or marks which generate confusion with other traders, are capable of being misleading and deceptive.

Registration of a trade mark can have numerous benefits to your business and can have significant value and commercial importance.

Domain names

Domain names provide Internet addresses for computers that are convenient and easier to remember than the alpha-numeric Internet Protocol addresses (ie.the long string of numbers) recognised by computers as being the address of the computer on the World Wide Web.

Problems have arisen because of the differences between “real” identities such as trade marks, as opposed to “virtual” identities such as Internet domain names:

- trade marks are publicly recognised legal titles providing legal protection to businesses on a national level;
- domain names are privately run, technical addresses that operate on a global level. A domain name only gives a licence to use the domain name and does not give any property rights in the name to the user of the domain name.

While domain names were originally intended to be a convenient identifier of internet addresses, they are now a valuable means of finding and identifying goods and services.

Domain names have therefore become a key marketing tool for e-commerce, and now have a distinct commercial value, although a domain name does not give you ownership of the name. Registration and use of a domain name can result in you infringing a trade mark owned by someone else.

Domain names, “meta-tags” and “key words” for searches are increasingly serving a similar function on the Internet to that served by trade marks traditionally.

There is a fine balance between choosing a domain name that is short, easy to remember, easy to spell and pronounce, and shows some connection with what you do, yet is still unique and distinctive enough that it is not so similar to other domain names that visitors get confused and type in your competitor’s domain name.

Choosing a domain name that is simply descriptive may mean that it is not unique, and not distinctive enough to be registered as a trade mark. Getting a trade mark search first can help significantly.

National legislation is generally inadequate to deal with the problem. Although legislation can control trade marks, a cybersquatter can move their domain name or web page offshore to place themselves outside the jurisdiction of national laws and courts.

Contact us if you need assistance or advice to help you maximise the benefit you can get from your intellectual property and online business, by emailing [**cbolden@herconlaw.com.au**](mailto:cbolden@herconlaw.com.au).