

17 April 2007

Amendments to Trade Marks Act affecting Persons who hold Rights in a Trade Mark including as a Licensee, Distributor, Mortgagee, holder of a Lien or a Party to a Co-Existence Agreement

The *Trade Marks Amendment Bill 2006 (Cth)* which amends the *Trade Marks Act 1995 (Cth)* ("Act") comes into force on **23 April 2007**. The amendments offer practical changes which will streamline the trade mark application process.

Persons who hold rights in a trade mark as a licensee, distributor, mortgagee, holder of a lien or a party to a co-existence agreement, are likely to be affected by the amendments. It is advisable that all such persons undertake the cost-free measure of registering their rights or interests in any trade marks on the Register of Trade Marks.

As the Act and its supporting regulations have been in force for 10 years, a review of the trade marks system was undertaken. As a result of the review, amendments are being implemented to improve the workability of the trade mark system and to increase certainty for trade mark owners.

Presently, under section 22 of the Act the rights of an owner to deal with their trade mark are subject to **any rights vested in another person**, whether noted on the Trade Marks Register or not. The amendment to section 22, which will come into effect as of 23 April 2007, will alter the current position such that the power of a registered owner to deal with their trade mark will now be limited only by **any rights recorded in the Register as being vested in another**

person. Accordingly, holders of rights over a registered trade mark will be required to record their right on the Register if they wish to restrict the right of the trade mark owner to deal with their registered mark.

It should be noted that the amendment is not intended to disallow all equitable claims in respect of a mark. Rather, the amendment clarifies the statutory intention that the equities in relation to a registered trade mark may be enforced against the trade mark owner, **except where that would prejudice someone who has purchased the trade mark for value in good faith.**

We encourage you to contact us if you believe that you fall within the above-mentioned category of persons who may be affected by the statutory amendments to the *Trade Marks Act 1995 (Cth)* to discuss the possible affects of the amendments on your rights or interests in a trade mark.

Contact:
Tania Zordan, Partner
Tel: +61 2 9225 2551
Email: zordant@kempstrang.com.au



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