

The logo for 'on your terms' features the text 'on your terms' in a teal, lowercase sans-serif font. Above the text are three small, vertical teal bars of varying heights, resembling a stylized signal or Wi-Fi icon. The entire logo is contained within a white circle with a thin teal border.

on your  
terms



THE LOFT  
LEGAL  
Intellectual Property Law Specialists

# Guide to Intellectual Property in NZ

**This guide will help you understand how Intellectual Property rights help protect “creations of the mind”, or expressions of those ideas.**

- 
- 2** Introduction

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  - 6** Trademarks

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  - 8** Patents

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  - 9** Copyright

---

  - 11** Registered Designs

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## Introduction

The main types of intellectual property are:

- trade marks (brands, like names and logos)
- patents (inventive devices, substances, methods or processes)
- trade secrets / confidential information
- copyright (expression of original works, like artwork, images and written publications)
- registered designs (visual designs, like furniture, clothing and jewellery)

Protecting intellectual property (through registration where necessary) helps to give exclusive rights to use that intellectual property, which can provide you with a competitive advantage and give you something to enforce against others, if necessary.

Intellectual property rights can give very practical ways of dealing with competitors encroaching on your space, or at least options that are not otherwise available without registration, and also provide assurance that you can use the intellectual property right.

It is important to understand the different types of intellectual property to assess what is appropriate for your business, and also how to avoid infringing the intellectual property rights of others.

### Trade marks

Trade marks protect brands, most commonly names and logos used by businesses for particular goods or services. Every business has a trade mark in at least the name of the business, and many businesses have multiple trade marks, such as names for particular goods the business sells.

For example, Zuru (the toy company) has a trade mark registration for ZURU as its overarching brand and also many of its toy products, like BUNCH O BALLOONS.

#### In short ...

- ✓ **Protects:** brands, like names and logos (most commonly)
- ✓ **Costs:** usually \$550 plus GST for New Zealand and \$850 plus GST for Australia, depending on your goods or services (and \$1,000 - \$3,000 for overseas territories)\*
- ✓ **Takes:** 6-12 months for New Zealand and Australia (and 6-24 months for overseas territories)
- ✓ **Lasts:** 10 years, and can be renewed for successive 10-year periods

See page 6 for more information about trade marks, and the registration process.

\*costs are based on services provided by theloft.legal or affiliated service providers and excludes GST.

## Patents

Patents are what you should consider if you have come up with an invention that is new (not done already) and inventive (not obvious to someone with expertise in the particular industry), and you want to have exclusive rights to that invention.

For example, if you come up with a new way of transporting a bike on a car, or lifting it on to the car, and that solution is not obvious to someone with engineering expertise, then you may be able to get a patent for that solution.

### In short ...

- ✓ **Protects:** inventive devices, substances, methods or processes
- ✓ **Costs:** usually \$2,000 - \$5,000 (or more depending on the country or complexity) for each country\*
- ✓ **Takes:** 6 months to several years
- ✓ **Lasts:** 20 years (usually), with annual maintenance payments required

See page 8 for more information about patents, and the registration process.

## Trade secrets and confidential information

Trade secrets are not registrable, but they can be a very effective way of maintaining a competitive advantage.

Trade secrets are essentially knowledge. If you know how to do something or make something and others cannot do that thing or make that thing without your knowledge, then keeping that knowledge confidential can be very valuable.

For example, if you develop a new formulation for a drink (think Coca-Cola) you should keep the formulation and the method for making the drink confidential. You may need to disclose the ingredients to comply with other laws, but you should still be able to keep the exact formulation and the exact method or recipe confidential. This means that if others want to copy your product they will need to try to reverse-engineer it and chances are they will not be able to do that accurately, without knowing what you know.

To keep confidential information confidential, it is important to identify the key information and do things to protect its confidentiality, for example by limiting staff access to the information and by having confidentiality agreements / non-disclosure agreements in place.

### In short ...

- ✓ **Protects:** trade secrets
- ✓ **Costs:** nothing
- ✓ **Lasts:** for as long as you can keep it secret

\*costs are based on services provided by theloft.legal or affiliated service providers and excludes GST.

## Copyright

Copyright protects the expression of ideas, like what we see and hear. This can include things like drawings (such as artwork, building plans and sketches of clothing or a shoe design), text (such as publication of words in a book or on a website), and imagery (such as photographs or what a webpage looks like).

Copyright protection is automatically created when the work is created. There is no registration required.

### In short ...

- ✓ **Protects:** the expression of original works, like artwork, images and written publications
- ✓ **Costs:** nothing (usually)
- ✓ **Lasts:** usually between 15 and 50 years or more

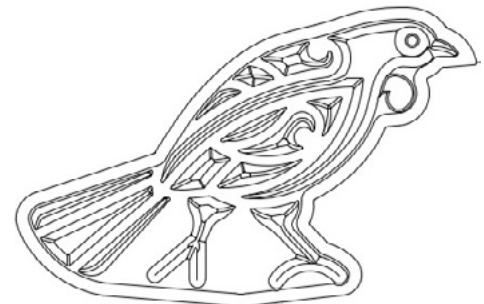
See page 9 for more information about copyright.

## Registered designs

Registered designs protect the visual appearance of an object, like clothing, jewellery and furniture, or configurations or patterns applied to objects.

For example, this is a protected design of a Tui applied to a cookie:

To qualify for design protection the design must have new and original features. Design registrations are not about the function of the design or how you make it (patents cover that sort of thing). It is about visual features of appeal to the eye.



### In short ...

- ✓ **Protects:** visual designs, like furniture, clothing and jewellery
- ✓ **Costs:** usually \$700 plus GST for New Zealand and \$850 plus GST for Australia (and \$1,000 - \$3,000 for overseas territories)\*
- ✓ **Takes:** 6-12 months for New Zealand and Australia (and 6-24 months for overseas territories)
- ✓ **Lasts:** 5-15 years, depending on the country

See page 11 for more information about registered designs, and the registration process.

\*costs are based on services provided by theloft.legal or affiliated service providers and excludes GST.

## Summary and example

Intellectual property considerations will differ, depending on what the business does (or what the potential is) and what its priorities are.

The following example gives some insight into how different types of intellectual property are relevant to a business that has created a new drink, that they want to sell under the name BLICIOUS.

Type of IP	What to do	Cost*
<b>Trade mark registration</b>	<p>BLICIOUS is a made up word, with “B” being a reference to “vitamin B” as a key feature of the drink, and “LISCIOUS” being a reference to “delicious”. This does not have a direct meaning and so, assuming it is not similar to any other trade marks already registered or in use, it should be registrable as a trade mark.</p> <p>The logo can also be registered.</p> <p><b>Tip:</b> A company registration for BLICIOUS LIMITED or a domain name registration for blicious.com, for example, will allow use of those (assuming such use does not someone else’s rights), but it does not give exclusive rights to the name. Only a trade mark registration can do that.</p>	<p><b>\$550 for NZ</b></p> <p><b>\$850 for AU</b></p>
<b>Patent</b>	<p>If the formulation for the drink is new and inventive, or there is some device or method the business has created that is new and inventive, then the business could consider pursuing patent protection.</p> <p><b>Tip:</b> You should do searches to ensure what you are doing will not infringe any existing patents.</p>	<p><b>\$0 - 5,000</b></p>
<b>Trade secrets</b>	<p>If the formulation or method for making the drink can be kept secret then it will be difficult for competitors to copy the drink.</p> <p><b>Tip:</b> You should make sure you have good measures in place to keep it secret, including confidentiality agreements where appropriate.</p>	<p><b>\$0</b></p>
<b>Copyright</b>	<p>Original works like logos, packaging artwork and images will be protected by copyright, automatically (no registration is required).</p> <p><b>Tip:</b> Make sure you only use works like logos and images that have been created by you, for you or that you have permission to use for what you want to do. Also make sure you have documentation confirming you or your business own copyright in works created for you, such as logos and artwork.</p>	<p><b>\$0</b></p>
<b>Registered designs</b>	<p>If the bottle shape has new and original features then design registration could be considered.</p> <p><b>Tip:</b> If you want to protect your design in Australia then you will need to file a design registration, as there is no copyright to fall back on like in New Zealand.</p>	<p><b>\$700 for NZ</b></p> <p><b>\$850 for AU</b></p>

\*costs are based on services provided by theloft.legal or affiliated service providers and excludes GST.

## Trade marks

Trade marks protect brands, most commonly names and logos used by businesses for particular goods or services. Every business has a trade mark in at least the name of the business, and many businesses have multiple trade marks, such as names for particular goods the business sells.

For example, Zuru (the toy company) has a trade mark registration for ZURU as its overarching brand and also many of its toy products, like BUNCH O BALLOONS.

Trade marks can be unregistered at least in New Zealand and Australia, and rights accrue through use of the trade mark for particular goods or services. For example, if a business generates a reputation in a particular trade mark (through extensive use/sales in connection with the trade mark) the business will accrue rights in that trade mark that can be enforced against others.

However, registering a trade mark gives more formal recognition to the trade mark (regardless of reputation) and gives the owner many practical benefits over and above unregistered rights to a trade mark.



For example, say you sell toys under the name RAINBOCORNS and a competitor uses your trade mark as a Google Adword and displays RAINBOCORNS in the adtext when people search for your product by the name RAINBOCORNS. If you have a trade mark registration for RAINBOCORNS then you can use the Google complaint process to stop the competitor doing this. If you do not have a trade mark registration then this situation would be much more difficult (and costly) to deal with. You can do similar things if someone misuses your brand on social media pages, or in a domain name.

Registered trade marks give much better rights than company names, business names and domain names, for example. Such company names, business names and domain name registrations do not give you exclusive rights to the name and there is nothing stopping others from registering or using even very similar company names, business names and domain names. Only a trade mark (ideally registered) can help with this.

### What to do before adopting a trade mark

Before starting to use or register a trade mark, you should make sure the trade mark is:

- a. distinctive (not descriptive or otherwise something others are likely to want to use for their own goods or services); and
- b. not the same or similar to other trade marks already registered or used by others.

Distinctive trade marks are ones that do not mean anything in the context, or at the most only allude to the offering. For example, APPLE does not mean anything in the context of computers and phones, which allows Apple Inc. to register it as a trade mark. However, it would not be possible to register APPLE as a trade mark for fruit, as it describes the product.

Searches can be done on the Trade Marks Register (of the country or countries you are interested in) as well as searches for unregistered rights, to make sure others have not already registered or started using the same or similar trade mark in connection with your goods or services or similar goods or services.

## Process and cost for registering a trade mark

See <https://www.theloft.legal/trade-mark-process> for information on the trade mark registration process, and cost.

Trade marks are registered on a country-by-country basis. So, if you want to sell products into the USA, for example, you should have a trade mark registration in the USA.

***Once the process is complete you will have a trade mark registration, which is an asset, and which:***

- a. provides exclusive rights to use the trade mark for the claimed goods and services;*
- b. can be sold or licensed to others (meaning you can grant others rights to use the trade mark); and*
- c. which can be enforced against others (meaning it can help to stop others using the same or similar trade mark for the same or similar goods or services).*



## Patents

If you have come up with an invention that is new (not done already) and inventive (not obvious to someone with expertise in the particular industry) then you may be able to get a patent for that solution, which would give you exclusive rights to that invention. Exclusive rights to the invention means you have rights to exclude others from performing, making or selling the invention that is protected by the patent, usually for 20 years.

When a patent application is filed the invention needs to be disclosed in a way that would allow others to perform or make the invention. So thought needs to be given to whether it may be better to keep the idea confidential or part of the idea confidential (potentially in combination with other elements protected by a patent) to make it more difficult for others to replicate the same invention

### What to do before using your invention or filing a patent application

Patent protection can be a fairly involved and costly process, especially if there are many countries you are interested in, and so care should be taken to ensure that patent protection will be meaningful in the circumstances.

To assess this, and whether the idea may infringe an existing patent, it is a good idea to first undertake searches to assess whether the invention has been done before or is already protected by a patent.



It is also important to keep your invention confidential before filing a patent application. If you do not keep your invention secret before filing a patent application it may not be possible to get valid patent protection. Some countries have a grace period for this in limited circumstances, but it is best if you do not have to rely on this. If you need to disclose your invention to others then you should have a confidentiality agreement/non-disclosure agreement in place before doing so.

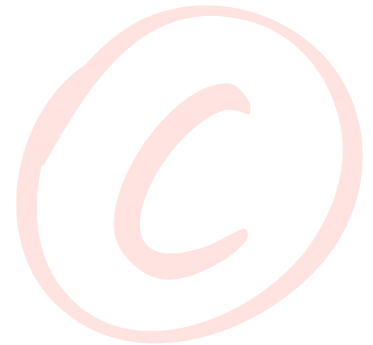
### Process for patent registration

- 1 It is possible to file a “provisional” application to preserve your rights, while considering what to commit to, if anything.
- 2 If you file a provisional patent application in New Zealand you have 15 months to make that a “complete” application, by giving the Patents Office all that it needs to examine the application.
- 3 You can otherwise file a “complete” application at the start.
- 4 When a “complete” patent application is filed, the Patents Office will do searches to assess whether the invention has been done before and will determine whether the patent is protectable.
- 5 If and when the patent application is approved by the Patents Office, the application is published in a journal to allow third parties (normally competitors) to oppose the application if they think they have grounds to do so.
- 6 If there are no oppositions, the patent will be granted.



## Copyright

Copyright protects expressions of original ideas, like artistic works (images, drawings, website imagery, models), literary works (literature and other written works, like computer code), music and sound recordings.



### What can be protected by copyright?

To qualify for copyright protection the work must be original, meaning it is not copied from something else. The test for this is not very high but relates to the strength of the right given. The greater the originality, the wider the scope of protection will be.

For example, if you create a piece of jewellery or clothing that is highly original in that it involves lots of creative choices that are not dictated by function (certain aspects of a design are required for jewellery or clothing to be worn), then you will have a good scope of protection.

### Ownership of copyright

The owner of copyright is normally the person who created the work, unless it is created in the course of employment (in which case the employer is the owner) or from a request by someone else (in which case that someone else is the owner). There are exceptions to this.

In general, it is best to record in writing who the owner is so that difficulties do not come up later. Even if you are the owner of the copyright, if you cannot prove that then you will not be able to enforce it against others.

### Registration of copyright



In New Zealand and Australia it is not possible to register copyright works, and rights are automatically created when the work is created.



In other countries, like the USA, it is possible and beneficial to register copyright works.

It is always a good idea to use the © symbol to show that you claim copyright in a particular work, together with the year of creation and the name of the owner. **For example, © 2023, theloft.legal.**

## Length of copyright protection

In New Zealand, most copyright protection expires 50 years after the death of the author. In Australia, it is 70 years after the death of the author.

In New Zealand, copyright protection for 3D artistic works (like furniture and jewellery, for example) generally lasts between 16-25 years.

In Australia, there is generally no copyright protection for 3D artistic works, and you need a registered design to have protection in Australia.

## What copyright gives

Copyright gives you the right to stop others copying or reproducing your work.

As the owner of copyright works, you can licence others the rights to use the works.

One thing to be aware of is using images provided online, even if you have paid for them. Often the terms and conditions say that you cannot use the image for commercial purposes, for example in your logo.

*There is a bit of a myth that you can change 30% of something to avoid copyright infringement. That is not true. There is no hard and fast rule. It is whether what is copied is a "substantial" part of the work when considering the originality of the work copied. It is not an easy assessment.*

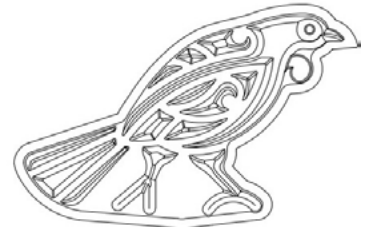
30%

*There is also a myth that things posted online can be copied. That too is not true. You can only do that if the owner of the work has given permission to do that.*



## Registered Designs

Registered designs protect the visual appearance of an object, like clothing, jewellery and furniture, or configurations or patterns applied to objects. For example, a protected design of a Tui applied to a cookie is shown here.



To qualify for design protection the design must have new and original features. Design registrations are not about the function of the design or how you make it (patents cover that sort of thing). It is about visual features of appeal to the eye.

### Is registration required?

Some countries like New Zealand recognised rights in designs applied to objects in the form of copyright protection. See the copyright section of this guide for more information on this.

However, in Australia you generally lose copyright protection when 50 or more items are produced with the design. So, if you do not have a design registration in Australia when that happens you are not likely to have any protection for the design.

In the USA, for example, a design patent would be required to protect a design.

### Can you wait to see if the design is successful before protecting it?

Some countries have a grace period of 6-12 months to file a design registration, like Australia and the USA.

However, New Zealand's grace period only applies in limited circumstances.

This means if you make your design public before filing a design registration in New Zealand you are unlikely to get a design registration, or it will at least have validity vulnerabilities.

So it is best to file a design registration before making it public. If you need to disclose your design to others then you should have a confidentiality agreement/non-disclosure agreement in place before doing so.

### Process for design registration

- 1 In New Zealand, design applications are examined by the Designs Office in about 15 working days. If all is in order, the design will be registered. New Zealand designs are registered for 5 years, and can be renewed for two further periods of 5 years.
- 1 In Australia, design applications are examined by the Designs Office in about 8 weeks. If all is in order, the design will be registered. Australian designs are registered for a period of 5 years, and can be renewed for a further period of 5 years.
- 2 If you want to be able to enforce your registered design in Australia it needs to be examined more closely and certified, which is a further step.