

21 Licensees

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1. Introduction

The owner of a registered trade mark may authorise other persons to use the trade mark.¹ The owner may choose to register such authorised persons as licensees. A person who is not the owner of a trade mark may be registered as a licensee of the trade mark in relation to any of the goods and services in respect of which the trade mark is registered.²

Sections 83-87 of the Trade Marks Act 2002 (“the Act”) allow for the registration, alteration and cancellation of a licensee.

Regulations 147-153 of the Trade Marks Regulations 2003 (“the Regulations”) prescribe the requirements for the registration, alteration and cancellation of a licensee.

Regulation 154 of the Regulations prescribes the requirements for the intervention by the owner or licensee in proceedings for the cancellation or alteration of a licensee.

Regulation 155 of the Regulations sets out the Commissioner’s powers on an application for cancellation or alteration of the registration of a licensee.

Footnotes

¹See section 10(1)(b) of the Trade Marks Act 2002.

² See section 83(1) of the Trade Marks Act 2002.

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2. Definition and powers of a licensee

A licensee is defined in the Act as:

“Licensee, in relation to a trade mark, means a person who is for the time being registered as a licensee of the trade mark in respect of any goods or services for which the trade mark is registered or who is a registered user of the trade mark under the Trade Marks Act 1953”³

The licensee may use the trade mark according to the terms of their license in relation to the goods or services for which the trade mark is registered and to which the license applies. This use is governed by the same conditions or limitations that apply to the trade mark registration.

The licensee may assign or transmit their right to use a trade mark.⁴

The licensee may request that the owner of the registered trade mark take proceedings to prevent infringement of the mark.⁵ The licensee may then bring an action for the infringement of the trade mark if the registered owner neglects or refuses to do so within two months of a request from the licensee.⁶ If the licensee takes infringement action, the registered owner is made a defendant in the action but is not liable for costs if he or she does not take part in the proceedings.⁷

A registered trade mark is infringed if the registered owner or licensee has entered into a written contract with a purchaser or owner of goods that requires the purchaser or owner of the goods not to do, in relation to the goods, certain prohibited acts, and the owner of the goods then does any of the prohibited acts.⁸ These acts include:⁹

- Applying the trade mark on the goods after their condition, get-up, or packaging has been altered in any manner specified in the contract; or
- Altering the trade mark, removing or obliterating the trade mark in part, adding any other trade mark, or adding any written material that is likely to damage the reputation of the trade mark, if the trade mark is on the goods; or
- Removing or obliterating the trade mark, whether wholly or partly, if the trade mark is on the goods, and there is something else on the goods that indicates a connection in the course of trade between the owner or licensee and the goods.

The trade mark is not infringed if the owner of the goods:¹⁰

- Has not received notice of the contractual requirement; and
- Does not carry out or authorise, in the course of trade, or with a view to dealing with the goods in the course of trade, any of the prohibited acts; and
- Purchased the goods for value and in good faith before receiving notice of the contractual requirement or is a successor in title to an owner to whom this applies.

A trade mark registered in respect of goods is not infringed by its use in relation to identical or similar goods connected in the course of trade with the owner or licensee if, as to those goods, the owner or licensee has applied the trade mark and has not later removed or obliterated it, or has consented to the use.¹¹

For these purposes, and only in relation to the use of a trade mark for medicine that is imported by the Crown under section 32A of the Medicines Act 1981, the owner or licensee is deemed to have consented to the use of a trade mark if a person with whom the owner or licensee has an arrangement that relates to the use of the trade mark by the owner or licensee has consented to its use.¹² This only applies to the use of a trade mark in relation to a medicine that is imported by the Crown under the Medicines Act 1981.¹³

Where a trade mark is registered in respect of goods, it is not infringed by use of the mark in relation to similar or identical goods which are adapted or intended to be provided in connection with other goods or services in relation to which the mark can be used without infringement. There will only be an exception to infringement if the use of the mark is reasonably necessary in order to indicate that the goods are so adapted or intended, and the purpose or the effect of the use is to indicate only a connection in the course of trade between the owner and licensee and the goods.¹⁴

Similarly, a mark registered in respect of services is not infringed by use of the mark in relation to similar or identical goods which are intended to be provided in connection with goods or other services in relation to which the mark can be used without infringement. But only if the use of the mark is reasonably necessary in order to indicate that the services are intended to be so provided, and the purpose or the effect of the use is to indicate only a connection in the course of trade between the owner and licensee and the services.¹⁵

The licensee may require the owner of a registered trade mark to give notice under section 137 of the Act to the Chief Executive of the New Zealand Customs Service requesting the chief executive to detain any goods on or in physical relation to which an infringing sign is used that are, or at any time come into, the control of Customs. Where the registered owner neglects or refuses to give notice under section 137 within two months of a request from the licensee, the licensee may give notice as if he or she were the owner.¹⁶ Where the licensee has given notice under section 137, the licensee may also revoke such a notice.¹⁷

Footnotes

³ See section 5 of the Trade Marks Act 2002.

⁴ See section 85 of the Trade Marks Act 2002.

⁵ See section 102 of the Trade Marks Act 2002

⁶ See section 103 of the Trade Marks Act 2002.

⁷ See section 104 of the Trade Marks Act 2002.

⁸ See section 90(1)(a) of the Trade Marks Act 2002

⁹ See section 90(2) of the Trade Marks Act 2002

¹⁰ See section 90(1)(b) of the Trade Marks Act 2002

¹¹ See section 97(a) of the Trade Marks Act 2002

¹² See section 98 (1) of the Trade Marks Act 2002

¹³ See section 98 (2) of the Trade Marks Act 2002

¹⁴ See section 97 (b) of the Trade Marks Act 2002

¹⁵ See section 97 (c) of the Trade Marks Act 2002

¹⁶ See section 141 of the Trade Marks Act 2002.

¹⁷ See section 140(a) of the Trade Marks Act 2002.

3. The application process

An application for the registration, alteration and cancellation of a licensee must be made in writing. The Commissioner will accept any manner of written communication that contains all the requirements for filing the document under the Act and Regulations.

IPONZ has also provided examples of the forms in Appendices 1 and 2. These forms simply illustrate one acceptable format and are not the only format that will be accepted.

3.1 Filing locations

¹⁸An application may be made through our [online correspondence facility](#), which is available everyday, 24 hours a day.

Alternatively, a paper application may be filed between 8.30 am and 5 pm, Monday to Friday (not including public holidays). For our postal details please see [contact us](#).

Footnote

¹⁸ IPONZ Newsletter February 2007. Please note, the “Late Filing Box” facility (where clients could deposit correspondence after business hours in Lower Hutt) was discontinued on 15 February 2007.

4. Application for registration of a licensee

A trade mark applicant or the owner of the registered trade mark may apply to register a person as a licensee of the trade mark in relation to any of the goods or services. ¹⁹

An application for the registration of a licensee of a trade mark must be: ²⁰

- In writing;
- Accompanied by a statutory declaration from the owner of the trade mark that the person proposing to be registered as the licensee is entitled to be registered as a licensee; ²¹ and
- Signed by the applicant or the owner of the trade mark and the proposed licensee.

An application for the registration of a licensee of a trade mark must contain the following information: ²²

- The licensee's name, address for service, and business or residential address;
- If the licensee has an agent, the agent's name;
- The trade mark for which the licensee is to be registered;
- The application or registration number of the trade mark;
- The goods and services to which the license relates;
- Any conditions relating to the license.

If these requirements are met the Commissioner must register the proposed licensee as licensee of the trade mark. ²³

Where the request for registration of a licensee is accepted, the Commissioner will notify the owner of the acceptance.

Footnotes

¹⁹ See section 83 of the Trade Marks Act 2002.

²⁰ See regulation 147 of the Trade Marks Regulations 2003.

²¹ See also section 83(2)(b) of the Trade Marks Act 2002.

²² See regulation 148 of the Trade Marks Regulations 2003.

²³ See section 84 of the Trade Marks Act 2002

4.1 Agents

Where an agent makes an application for the registration of a licensee, a written authorisation of agent is not required from the proposed licensee, unless the Commissioner asks for a written authorisation in a particular case. ²⁴ The fact that the agent files the application is sufficient evidence of the agent's authority to do so.

However, where there is a change of agent, the licensee must file a written authorisation of agent as soon as practicable after the new agent is appointed. ²⁵ The authorisation must be signed by the licensee and contain the following information: ²⁶

- The name of the proposed licensee and their address for service;
- The agent's name and address for service;
- The number of the trade mark(s) for which the agent is authorised to act on behalf of the licensee; and
- A statement of any limitation on the authority of the agent to act for the licensee.

Footnotes

²⁴ See regulation 22(1) of the Trade Marks Regulations 2003.

²⁵ See regulation 22(1)(b) of the Trade Marks Regulations 2003.

²⁶ See regulation 22 of the Trade Marks Regulations 2003.

4.2 Conditions

Regulation 148(f) is intended to require that if there are any conditions as to the use of the trade mark, such as whether the license is limited to certain goods and services or as to territory, they must be included in the application for registration of the licensee.²⁷

An application for registration of a licensee will not be rendered invalid if conditions other than the above are not included in the application for registration.

Footnote

²⁷ Cf. Form 31 of the Second Schedule to the Trade Mark Regulations 1953.

5. Application for alteration of a licensee

Section 86 of the Act states that the owner of a trade mark may apply to alter the registration of a licensee. An application for the alteration of the registration of a licensee must be in writing and signed by the owner of the trade mark.²⁸

The application must contain the following information:²⁹

- The licensee's name;
- If the licensee has an agent, the agent's name;
- The trade mark for which the licensee is registered;
- The trade mark application or registration number;
- The goods and services for which the license is to be cancelled;
- The goods and services for which the license is to continue;
- Any proposed alteration of the license;
- A statement that the owner has notified the licensee of the application.

Footnotes

²⁸ See regulation 149 of the Trade Marks Regulations 2003.

²⁹ See regulation 150 of the Trade Marks Regulations 2003.

5.1 Hearing

Where an application for the alteration of the registration of a licensee is made, either party may present evidence in support of that party's case and may avail itself of the opportunity to be heard on the matter.³⁰

Where a party requests a hearing, that request:

- Must be made in writing;

- Must indicate whether the applicant desires a hearing in person or a hearing based on written submissions.

Upon receipt of the request for a hearing, the application will be forwarded to the Hearings Office.

Where the applicant requests a hearing in person, a hearing will be held before an Assistant Commissioner. Where the applicant requests a hearing based on written submissions, the applicant will be asked to forward its written submissions and an Assistant Commissioner will then consider those written submissions.

The Commissioner may refuse the application, or may alter the registration subject to any conditions, amendments, modifications or limitations that the Commissioner thinks appropriate.³¹ The Commissioner will notify all parties of the decision.

Where the request for an alteration to the registration of a licensee is accepted, the Commissioner will alter the licensee registration and notify all parties of the alteration.

Footnotes

³⁰ See regulation 155(1) of the Trade Marks Regulations 2003.

³¹ See regulation 155(2) of the Trade Marks Regulations 2003.

6. Application for cancellation of a licensee

Section 87 of the Act states that the registration of a licensee must be cancelled by the Commissioner where:

- The Commissioner requests information on whether the relationship described in section 83(1) between the owner and the licensee is current and receives no advice within the time specified by the Commissioner that the relationship is current;³² or
- An application is made by the owner of the trade mark, the licensee or any other person.

An application for the cancellation of the registration of a licensee must be in writing and signed by the applicant.³³

Footnotes

³² See section 87(2)(a) of the Trade Marks Act 2002.

³³ See regulation 151 of the Trade Marks Regulations 2003.

6.1 Cancellation by the owner

An application for the cancellation of the registration of a licensee of a trade mark by the owner of the trade mark registration must contain the following information:³⁴

- The licensee's name;
- If the licensee has an agent, the agent's name;
- The trade mark for which the licensee is registered; and
- The application or registration number of the trade mark.

Where the owner of a trade mark registration applies to cancel the registration of a licensee, the owner must send a copy of that application to the licensee as soon as practicable.³⁵

Footnotes

³⁴ See regulation 152 of the Trade Marks Regulations 2003.

³⁵ See regulation 153(1) of the Trade Marks Regulations 2003.

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6.2 Cancellation by the licensee

An application for the cancellation of the registration of a licensee of a trade mark by the licensee must contain the following information:³⁶

- The licensee's name;
 - If the licensee has an agent, the agent's name;
 - The trade mark for which the licensee is registered;
 - The application or registration number of the trade mark;
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Footnote

³⁶ See regulation 152 of the Trade Marks Regulations 2003.

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6.3 Cancellation by a third party

An application for the cancellation of the registration of a licensee of a trade mark may be made by a third party on any of the following grounds:

- That the licensee has used the trade mark in a way that:
 - Is not the permitted use; or
 - Deceives or confuses; or
 - Is likely to deceive or confuse; or
- That the owner or the licensee misrepresented, or failed to disclose, some fact material to the application for the registration, or that the circumstances have materially changed since the date of the registration; or
- That the registration should not have been effected having regard to rights vested in the applicant by virtue of a contract in the performance of which the applicant is interested.

An application for the cancellation of the registration of a licensee of a trade mark by a third party must contain the following information:³⁷

- The licensee's name;
- If the licensee has an agent, the agent's name;
- The trade mark for which the licensee is registered;
- The application or registration number of the trade mark;
- The grounds for cancellation.

Where a person who is not the owner applies to cancel the registration of a licensee, IPONZ will notify the owner of the application as soon as practicable. The owner of the trade mark must then notify the licensee of the application as soon as practicable.³⁸

Footnotes

³⁷ See regulation 152 of the Trade Marks Regulations 2003.

³⁸ See regulation 153(2) of the Trade Marks Regulations 2003.

6.4 Hearing

Where an application for the cancellation of the registration of a licensee is made, either party may present evidence in support of that party's case and may avail itself of the opportunity to be heard on the matter.³⁹ Where a party requests a hearing, that request:

- Must be made in writing;
- Must indicate whether the applicant desires a hearing in person or a hearing based on written submissions.

Upon receipt of the request for a hearing, the application will be forwarded to the Hearings Office.

Where the applicant requests a hearing in person, a hearing will be held before an Assistant Commissioner. Where the applicant requests a hearing based on written submissions, the applicant will be asked to forward its written submissions and an Assistant Commissioner will then consider those written submissions.

The Commissioner may refuse the application, or may cancel the registration subject to any conditions, amendments, modifications or limitations that the Commissioner thinks appropriate.⁴⁰ The Commissioner will notify all parties of the decision.

Where the cancellation request is accepted, the Commissioner will cancel the licensee registration and notify all parties of the cancellation.

Footnotes

³⁹ See regulation 155(1) of the Trade Marks Regulations 2003.

⁴⁰ See regulation 155(2) of the Trade Marks Regulations 2003.

7. Intervention by owner

Where an application has been made for cancellation or alteration of a licensee of a trade mark, the owner or the licensee may intervene in the proceedings.⁴¹

The Commissioner must as soon as practicable, send a copy of the notice of intervention to every other party to the proceeding.

Footnotes

⁴¹ See regulation 154 of the Trade Marks Regulations 2003.

7.1 Intervention by owner

Where the owner wishes to intervene, they must notify the Commissioner in writing within one month of the owner being notified by the Commissioner of the application.⁴²

The notice of intervention must also include a statement of the grounds for intervening.⁴³

Footnotes

⁴² See regulation 154(2) of the Trade Marks Regulations 2003.

⁴³ See regulation 154(3) of the Trade Marks Regulations 2003

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7.2 Intervention by licensee

Where the licensee wishes to intervene, they must notify the Commissioner in writing within one month of the licensee being notified by the applicant.⁴⁴

The notice of intervention must also include a statement of the grounds for intervening.⁴⁵

Footnotes

⁴⁴ See regulation 154(2) of the Trade Marks Regulations 2003.

⁴⁵ See regulation 154(3) of the Trade Marks Regulations 2003

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Appendix 1: Licensee application form

[Appendix 1: Licensee application form \[30 kB PDF\]](#)

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Appendix 1: Application to alter or cancel a licensee

[Appendix 1: Application to alter or cancel a licensee \[26 kB PDF\]](#)