

NAMES

An examination of the interaction between names registered under legislation regulating companies, business names and associations and proposals for nationwide co-ordination.

by

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1. Unco-ordinated Names Law

The law regulating names is an unco-ordinated body of rules and practices built up from statutes regulating inter alia companies, business names, associations, designs, patents, trade marks and trade practices¹ and associated case law as well as a considerable body of intellectual property case law. All names laws have some objectives in common including at least

- (a) to prevent the probability of confusion
- (b) to prevent the likelihood of deception
- (c) to identify the real persons incurring liabilities
- (d) to protect rights of ownership of intellectual property.

The law governing names is a study in its own right, yet rarely in the textbooks is it co-ordinated and viewed as one law.² Each statute is generally silent on the existence of complementing legislation. In particular, it is not widely appreciated, especially in the

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1. e.g. *Companies Act* 1981 (Cth) and Codes, Part III Division 2 ('Names') ss. 38-66; the substantially uniform *Business Names Act* 1962-63; *Associations Incorporation Act* 1981 (Vic); 1984 (N.S.W.); 1981 (Qld); 1985 (S.A.); 1895 (W.A.); 1964 (Tas); 1978 (N.T.); *Associations Incorporation Ordinance* 1953 (A.C.T.); *Trade Marks Act* 1955 (Cth), Part IV - Registrable Trade Marks; *Designs Act* 1906 (Cth); *Patents Act* 1952 (Cth); *Building Societies Act* 1976 (Vic) ss. 8, 14; *Building and Co-operative Societies Act* 1902 (N.S.W.); *Building Societies Act* 1886 (Qld) ss. 3, 4, 12; *Building Societies Act* 1976 (W.A.) s. 5, 9; *Building Societies Act* 1975 (S.A.) ss.12, 18; *Building Societies Act* 1876 (Tas) ss. 9, 17; *Credit Societies Act* 1986 (Qld.) ss. 24-29; *Friendly Societies Act* 1958 (Vic) s. 11(3); *Friendly Societies Act* 1912 N.S.W. ss. 104-106 *Friendly Societies Act* 1913 (Qld) s.10; Sch 1; *Friendly Societies Act* 1894 (W.A.) s. 11, Second Schedule; *Friendly Societies Act* 1919 (S.A.) s. 4; *Friendly Societies Act* 1888 (Tas) s. 13, Schedule 1; *Co-operative Societies Ordinance* 1939 (A.C.T.) ss. 16AA, 17, 71; *Conciliation and Arbitration Act* 1904 (Cth) ss. 136, 139; *Trade Union Act* 1881 (N.S.W.) s. 14(3); *Trade Unions Act* 1958 (Vic) s. 16(c); *Trades Unions Act* 1889 (Tas) s. 15(c).
2. e.g. CCH *Australian Industrial and Intellectual Property*, CCH Australia Ltd.; Ford, H.A.J., *Principles of Company Law*, Sydney, Butterworths, 4th ed., 1986, pp.57-60; Gower, L.C.B., *Gower's Principles of Modern Company Law*, London, Stevens and Sons, 4th ed., 1979, pp.302-306; Lahore, J., Dwyer, J.W. and Garnsey, J.J., *Intellectual Property in Australia*, Butterworths, 1981 and Service; Shanahan, D.R., *Australian Trade Mark Law and Practice*, Sydney, The Law Book Co. Ltd., 1982; White, T. Blanco and Jacob, R., *Kerly's Law of Trade Marks and Trade Names*, London, Sweet and Maxwell, 11th ed., 1983; Bannon, C.J., *Australian Patent Law*, Sydney, Butterworths, 1984; cf. Ricketson, S., *Industrial and Intellectual Property*, Sydney, The Law Book Co. Ltd., 1984, Ch.41; Francey, N., *Business Names Guide*, Sydney, CCH Australia Ltd., 3rd ed., 1985; Fletcher, K.L., *The Law of Partnership in Australia and New Zealand*, Sydney, The Law Book Co. Ltd. 5th ed. 1987, p. 337, and Ch. 11 generally.

business community, that registration of a company, business or association name does not provide proprietary or ownership rights over that name, even if the name is the actual name of the registrant. Nor is it widely appreciated that a person with a registered name cannot restrain others from registering that or a similar name unless by consent of the Ministerial Council for Companies and Securities under s. 38(2) of the Companies Code (in the case of a company name) or unless such use constitutes a breach of ss. 52 and/or 53 of the *Trade Practices Act* 1974 (Cth) or amounts to the tort of passing off. Unlike the position under the *Designs Act* 1906 (Cth), the *Patents Act* 1952 (Cth) and the *Trade Marks Act* 1955 (Cth), a person registering a name under companies, business names or associations legislation does not acquire a 'statutory' or 'limited' monopoly over that name especially if someone else can point to an existing entitlement to that name.³ Hence it is possible to have the name of a company, business or association as the name or title of a design, patent or trade mark, and conversely, the name or title of a design, patent or trade mark used as or as part of the name of a company, business or association.⁴

Further, the inconsistency between the rights (if any) provided by registration of a company, business or association name and the proprietary rights conferred by the designs, patents and trade marks legislation is neither widely nor generally understood. For example, the ease with which a person providing a consulting or a retail service may incorporate the name of goods (the trade mark of that person's supplier) into the business name of the business should give rise for concern.

Registration of company, business and association names by the state and territory Corporate Affairs Commissions/Offices as delegates of the National Companies and Securities Commission (hereafter 'Commission') has traditionally been effected in accordance with appropriate companies, business names or associations incorporation legislation or in accordance with the relevant Prohibited Names Direction issued thereunder.⁵ This legislation and these Directions, however, do not always direct attention to prior usage of a name, claims to better entitlement to a name, existing registration in any other state or territory or to Commonwealth designs, patents or trade marks registration.

This paper calls for co-ordination of names law and practice, and for reforms to ensure that such co-ordination is operational on a nationwide basis in view of the national, or increasingly national, reach of business in Australia. The paper appreciates that current private enforcement of names' rights is by means of the *Trade Practices Act*, and does not advocate replacement of this private enforcement except insofar as cross-referencing of names at the point of reservation/registration would alleviate later confusions. Further deregulation of names may well be the answer — as proposed by the New South Wales Corporate Affairs Commission⁶ — but in the context of a satisfactory threshold for reservation and registration.

The current distributed and independent system of regulation of company names is arguably inconsistent with the policy of the co-operative companies and securities scheme,

3. Industrial Property Advisory Committee, *Report on the registration of service marks under the Trade Marks Act 1955 and the protection of company and business names*, Canberra 1981 (hereafter I.P.A.C. Report), para 28, 30.

4. *Ibid*, para. 5.

5. e.g. (1) Directions: Prohibited (Company) Names Direction, issued by the Ministerial Council for Companies and Securities under s. 38 of the Companies Code, 26 July 1982, Commonwealth Gazette, 24 August 1982, amended 24 May 1984, Commonwealth Gazette, 24 July 1984; reproduced in CCH *Australian Company Law and Practice*, #7-120.30, #7-120.31; Business Names Direction (Victoria), 5 June 1984, Victoria Government Gazette, 20 June 1984, p.1964; Associations Names Direction (Victoria), 4 June 1984, Victoria Government Gazette, 20 June 1984, p. 1960; (2) Statutes: *Credit Societies Act* 1986 (Qld.) s. 24.

6. see text accompanying footnote 35.

and when other usages of the same name are totalled (and excluding the use by a natural person or persons of their own names), the potential for confusion runs contrary to the certainty and the efficiency expected by business and consumers.⁷

Consider the following arithmetic. At present it is possible for the same name to be registered as the name of a company or a business (eight jurisdictions - company and business names are mutually exclusive), an unincorporated association (seven jurisdictions), a design, a patent, a trade mark, endless statutory authorities (in each of nine jurisdictions), organisations under the *Conciliation and Arbitration Act 1904* (Cth), a trade union (nine jurisdictions), not to mention the possibility of the use of the same name as the name of a lottery (nine jurisdictions), a raffle (nine jurisdictions) and even a racehorse. In some jurisdictions it is possible to register the same name as that of a building society and a friendly society.⁸

Certainly some rights to ownership, protection and use of the chosen name are provided by these various bodies of legislation, but the primary private protection of a name afforded by the law is that of the tort of passing off, augmented by or even superseded by the consumer protection provisions of the *Trade Practices Act 1974* (Cth).

These and other problems affecting the law governing names have been analysed in at least three government sponsored reports over the last twenty five years,⁹ and some of the issues analysed in this paper, deriving in part from these reports, have been neatly encapsulated in the following call made by the editor of the *Companies and Securities Law Journal* in the following words:¹⁰

“A matter that should be given close and urgent attention in the next stage of the development (of the co-operative companies and securities scheme) is the question of business names. The interaction between company law, trade marks law, trade practices law, and the common law relating to passing off, etc., needs to be carefully examined.”

These words highlight the current interaction issue underlying the law of names as developed in this paper. The proposals for reforms as suggested in this paper build upon the defects in the law revealed by the cases, the systematic research and elucidation by the relevant law reform agencies, their proposals, and the current dispersed operation of the law of names in Australia.

7. Although the issue of names is marked for attention under the co-operative companies and securities scheme, Clause 14 of the Formal Agreement (the Schedule to the *National Companies and Securities Commission Act 1979* (Cth)) envisages the making of proposals to regulate names control. The clause reads as follows:

14. (1) The National Commission shall examine proposals that are from time to time made for an alternative version of the provisions of the Commonwealth and State legislation referred to in this Part, whether or not those provisions have been enacted, or which have been included in the Commonwealth and State legislation pursuant to those clauses and furnish a report to the Ministerial Council on the proposals.

(2) A report by the National Commission on any proposal under sub-clause (1) shall be furnished to the Ministerial Council within two years after the proposal was made.

(3) The Ministerial Council shall give due consideration to a report by the National Commission under sub-clauses (1) and (2) and may modify any provision of the Commonwealth and State legislation or, if the legislation has been enacted, approve an amendment thereof, having regard to the modification proposed.

8. This is not possible in Victoria, for example, where building society and friendly society names are included alphabetically in the same register and would not be cross registrable.

9. *Report of the Company Law Committee*, Cmnd. 1749, London, H.M.S.O., 1962 (Jenkins Report), pp.169-177; *Report of the Committee to examine British Trade Mark Law and Practice*, Cmnd. 5601, London, H.M.S.O., 1974 (Mathys Report), esp. paras. 107-113; Industrial Property Advisory Committee, *Report on the registration of service marks under the Trade Marks Act 1955 and the protection of company and business names*, Canberra, 1981.

10. Editorial, (1982) 1 *Companies and Securities Law Journal* 65 at p.66 per Professor Robert Baxt of Monash University.

2. Company Names

The purpose of company name registration lies in the need to provide identification for the legal person created by companies legislation. Some 'quality control' is imposed by s. 38 of the *Companies Act 1981 (Cth)* and Codes (hereafter Companies Code) which specifies that a name shall be unavailable for reservation if it so closely resembles an existing reserved or registered company name as to be likely to be mistaken for it, or is undesirable, or is unavailable for use by virtue of having been so directed by the Prohibited Names Direction.¹¹ Although this section prohibits as a company name any name which is likely to deceive, cause confusion etc.,¹² it is not cross referenced to names registered under other legislation from other jurisdictions. Such a requirement could be imposed by amendment of the Direction or by an amendment of s. 38. Such cross-checking as currently exists is a matter of administrative practice which is not uniform across the jurisdictions.

A statement of a company's name is the first requirement as to its memorandum of association called for by the Companies Code (s. 37(1)(a)). In contrast to this one line requirement in the Code, the succeeding sections regulating company names¹³ provide a maze of duplication and repetition,¹⁴ caused by the draftsman's repetition of the same or much the same principles for each of the four classes of companies provided by the Companies Code.¹⁵

The current administrative practice regarding company names involves the following stages:

(1) Application for Availability of Name

A co-ordinated register of company, business and association names is available in some state jurisdictions and this is searched by the Commission with a result available to an applicant in a matter of days. This register is not national and is only of use within the relevant State or Territory. The availability of name in participating jurisdictions also has to be searched for a company planning to carry on business in those other jurisdictions. All searches can be effected from the home jurisdiction, and a 'not available' result would prevent the incurring of later unnecessary enquiries to other jurisdictions. Section 38(2) of the Companies Code provides a mechanism for appeal to the Ministerial Council — a mechanism which practice shows to be very successful — in the event of a non-availability decision at this stage.

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11. The Prohibited Names Direction, issued by the Ministerial Council for Companies and Securities under s. 38 of the Companies Code on 26 July 1982, reproduced in the Commonwealth Gazette of 24 August 1982, amended 24 May 1984, reproduced in the Commonwealth Gazette of 24 July 1984, does not include as prohibited names trade marks registered under the *Trade Marks Act 1955 (Cth)*.
 12. As does e.g., *Trade Marks Act 1955 (Cth)* s. 28.
 13. Part III Division 2 ('Names') (ss. 38-66), augmented by sundry later sections of the Code.
 14. .e.g. reservation and registration of name of intended (State or territory) company: s. 40; reservation of name of intended recognized company: s. 41; registration of name of recognized company: s. 42; reservation and registration of name of intended foreign company or foreign company: s. 46, cf. restriction on use of certain names: s. 520; reservation of name of intended recognized foreign company or recognized foreign company: s. 47; registration of name of recognized foreign company: s. 48.
 15. Section 5(1) of the Companies Code distinguishes four categories of companies:
 - (a) (state or territory) companies — those incorporated in and trading in the home jurisdiction.
 - (b) recognized companies — Australian companies incorporated outside the home jurisdiction, but recognized in the home jurisdiction by reservation of its name under Companies Code s. 46.
 - (c) foreign companies — those incorporated outside Australia or in the N.T., or those incorporated within Australia but not under the Code (e.g. by royal charter).
 - (d) recognized foreign companies — those incorporated outside Australia but which have registered as a foreign company in any of the Australian jurisdictions.

(2) Reservation of Name

Reservation can be sought for the local jurisdiction only, or for both local and participating jurisdictions. Where the name is not available in any of the nominated jurisdictions, the Commission (subject to the applicant's right of appeal to the Ministerial Council under s. 38(2)) shall not reserve the name in any jurisdiction.

(3) Duration of reservation

Reservation remains in force for two months, and can be extended under s. 58 of the Companies Code by another two months if the Commission is satisfied the application is made in good faith. Reservation does not of itself entitle the applicant to the name although in the normal course of events refusal of registration need not be anticipated.

(4) Registration

Registration takes place for the home jurisdiction once the company has been registered under s. 35. Registration of a company name goes through two steps. First, there is registration of the memorandum etc. in the local jurisdiction under s. 35. Once this is effected, the Commission is in a position to register the name of the company in the jurisdiction under s. 40(4), subject to the considerations outlined below.

In the case of a foreign company, reservation must first be effected (s. 46(5)) before registration (under s. 512). A foreign company wishing to carry on business in Australia is prevented from doing so unless its chosen name is available in all jurisdictions under s. 46(4) of the Companies Code. Overseas investors coming to Australia may find this requirement onerous. Unavailability in, say, South Australia, could prevent the Australia-wide operation of a foreign company in Australia because of inability to utilise its existing corporate name nationwide.

However, reservation and/or registration of a company name provides no proprietary interest in that name comparable to that provided by trade marks, patents or designs legislation. Registration is effective as against other company names, and brings the name within clause 1(a) of each of the Prohibited Business Names Directions¹⁶ and the Prohibited Association Names Directions,¹⁷ although such registration provides no protection against registration by another person as the name of a design, patent or trade mark. A virtual monopoly over the name is gained only to the extent that the name can be protected by the tort of passing off, or action under s. 52 of the *Trade Practices Act 1974* (Cth).

The Companies Code authorises the Commission to cancel a name registered by mistake.¹⁸ Like s. 10 of the uniform *Business Names Act 1962/1963*, however, this section gives no rights to a registered name holder, and further it is merely directory of the Commission not mandatory.¹⁹ Unlike some of the industrial property legislation considered below,²⁰ neither Act empowers the court to order a change of name upon the application of an aggrieved name holder, and each is therefore of only limited value in the protection of names.

16. *supra*, footnote 5.

17. *loc. cit.*

18. Companies Code ss. 64, 65(3).

19. *Ibnate & Co. Pty. Ltd. v. Corporate Affairs Commission* (1976) A.C.L.C. 240-254; *Professional Liquor and Catering Enterprises Pty. Ltd. v. Corporate Affairs Commission and Genmark Pty. Ltd.* [1982] A.C.L.D. 563, noted (1983) 57 A.L.J. 51, noted in Part III, below.

20. For example *Patents Act 1952* (Cth) s. 59 (opposition by 'a person interested'); *Trade Marks Act 1955* (Cth) s. 49 (opposition by 'a person').

Co-operative Companies and Securities Scheme

The one-stop shopping concept which characterises the co-operative companies and securities scheme, in force from 1 July 1982, has simplified the administration and the operation of companies to the extent that most company matters, such as lodging of prospectuses and accounts, can be handled nationwide from the local jurisdiction. However, one-stop shopping is currently interpreted as not being synonymous with 'one entity/one name' as one-stop shopping does not apply to business names, unincorporated associations or to the law and practice of company names, which is based on and little different from the 'distributed' names system of the Interstate Corporate Affairs Commission of N.S.W., Victoria, Queensland and later W.A. from 1974 to 1982.²¹

Company names are still based firmly in the local jurisdiction, and accordingly, a company incorporated in, or an overseas corporation registered in, a particular state or territory cannot establish a place of business or carry on business in another state or territory unless it has reserved its name in that other state or territory. Although availability searches, reservation and registration of a business name can, upon payment of the necessary fees, be handled from the home jurisdiction, company names practice has made little progress since 1974 and is inconsistent with the policy and the law comprising the co-operative companies and securities scheme.

In particular, the distributed system of company names control does not provide for nationwide one person one name operation so that if a company name is not reserved, and later registered, in all jurisdictions, a company may later find 'its' name already in use in another jurisdiction and hence interstate expansion blocked, or at least blocked under 'its' name. This situation confronted the U.S. Taco Bell restaurant chain, the operator of some 1366 restaurants in the U.S., Canada and Guam when it attempted to use 'its' name on commencement of operation in N.S.W. Action by the proprietor of an unconnected Mexican restaurant in Sydney's Bondi, trading under the business name 'Taco Bell's Casa' or 'Taco Bell's' was successful under the *Trade Practices Act 1974 (Cth)* to restrain the use of 'its' name by the U.S. chain.²² Budget Rent a Car found itself unable to use 'its' name in the Northern Territory because of its use by a local company and accordingly was forced to take action under the tort of passing off.²³ Similarly Seiko (as applied to computers)²⁴ and Whirlpool²⁵ found their names registered by unrelated and unauthorised companies — neatly illustrating the deficiency of the current system — and took successful action under s.52 of the *Trade Practices Act* on the grounds that the conduct of the rival trader misled or deceived, or was likely to mislead or deceive, the public in their capacity as consumers.

A substantial body of case law has developed under s. 52 of the *Trade Practices Act 1974 (Cth.)* illustrating the proposition that confusion between names can be misleading or deceptive if the use of name contains or conveys a misrepresentation in all the circumstances which has led, or where there is a real and not remote chance of misleading, one or more persons into error.²⁶ Statements literally true, and the use of one's own name,

21. That is, the Interstate Corporate Affairs Commission, established in 1974 to provide some co-ordination in company and securities matters by N.S.W., Victoria and Queensland, joined by W.A. in 1975, and merged into the co-operative scheme in 1982.

22. *Taco Company of Australia Inc. v. Taco Bell Pty. Ltd.* (1982) ATPR #40-303; noted (1983) 57 ALJ 109.

23. *B.M. Auto Sales Pty. Ltd. v. Budget Rent A Car System Pty. Ltd.* (1977) 51 ALJR 254.

24. *Tec & Tomas (Australia) Pty. Ltd. v. Matsumiya Computer Company Pty. Ltd.* (1984) ATPR #40-438.

25. *Malleys Ltd. v. Whirlpool Australia Pty. Ltd.* (1984) ATPR #40-455.

26. e.g. *Greg Cotton Motors Pty. Ltd. v. Neil & Ross Pty. Ltd.* (1984) ATPR #40-443; *Halloran v. Henry F. Halloran & Co. Pty. Ltd.* (1984) ATPR #40-501; *Chase Manhattan Overseas Corporation v. Chase Corporation* (1986) ATPR #40-661 (action failed); *M.K. Hutchence (trading as INXS) v. South Sea Bubble Company Pty. Ltd. (trading as 'Bootleg T-Shirts')* (1986) ATPR #40-667.

can qualify as misleading and deceptive. Especially where businesses have similar names the likelihood of conduct falling within s. 52 is high and the use of the name would be likely to be prohibited.²⁷

However the lesser consequence of mere confusion caused by the marketing of different products under the name, symbol or logo usually associated with another leading to belief in some business connection between the two may not necessarily mislead or deceive within the tests of s. 52. Such confusion or misunderstanding may be merely the consequence of a 'misunderstanding by observers induced by erroneous assumptions on their part'.²⁸

Such uncertainties as to availability and bounds of a company name are inconsistent with the one-stop-shopping of the 1981 scheme and can certainly frustrate the nationwide operation of a business. Costs are incurred in the form-filling currently required for interstate reservation and expansion not to mention the costs of name change resulting from the unavailability of a name in one or more jurisdictions, or the costs of litigation under the *Trade Practices Act* 1974 or the tort of passing off to protect one's 'own' name. These limitations are clearly unrealistic in a national business economy.

3. Names Protection Under Business Names Legislation

The original business names legislation²⁹ was enacted to ensure disclosure of the true names of persons trading under names other than their own.³⁰ Unlike company names registration which seeks to clearly identify not the natural persons behind the company as much as the company itself, business names legislation seeks instead to identify the persons carrying on business under that business name particularly so as to identify the person or persons incurring liabilities in the course of business. Hence, 'A. Smith and B. Jones' need not be registered if Smith and Jones are the only two partners, but if the firm consisted of Smith, Jones and Brown, trading as Smith and Jones, the business name of Smith and Jones would have to be registered.³¹ The legislation clearly states in s. 5(2)(b) that the 'name of a person' under which business is carried on consists of 'in the case of a corporation — the corporate name of the corporation'. However, the legislation has not yet been widened to include the name of an association or a trust carrying on business, although registration of a trading trust name can only be effected by the trustee of the trust because the trust is not recognised as a legal entity.

The legislation also provides a public registry where information as to the persons behind a business name is available upon search. Such information is, however, limited to the particulars requiring registration, viz., true names and addresses — and most noticeably excludes any accounting and auditing requirements. Failure to register a business name

27. e.g. *Taco Company of Australia Inc. v. Taco Bell Pty. Ltd.* (1982) ATPR #40-303; *Bridge Stockbrokers Ltd. v. Bridges* (1985) ATPR #40-502; *Weston Communications Pty. Ltd. v. Fortune Communications Holdings Ltd. & The Weston Company Ltd.*, (1986) ATPR #40-651; *Aerospatiale Societe Nationale Industrielle v. Aerospatiale Helicopters Pty. Ltd.* (1986) ATPR #40-700, noted (1986) 60 A.L.J. 680.

28. *McDonald's System of Australia Pty. Ltd. v. McWilliam's Wines Pty. Ltd.* (1980) ATPR #40-188 at p. 42,585 per Smithers J.; cf. *Abundant Earth Pty. Ltd. v. R & C Products Pty. Ltd.* (1985) ATPR #40-532, noted (1985) 59 A.L.J. 115; *M.K. Hutchence (trading as INXS) v. South Sea Bubble Company Pty. Ltd.* (1986) ATPR 40-667; *Strathfield Car Radios Pty. Ltd. v. Ryda Car Radios Pty. Ltd.* (1986) ATPR #40-699.

29. e.g. *Registration of Firms Act* 1899 (Tas.); *Registration of Business Names Act* 1916 (U.K.). Business names legislation was passed on a uniform basis in 1962 and 1963 after the passage of the uniform *Companies Act* in 1961 and 1962: *Business Names Act* 1962 (Vic); 1962 (N.S.W.); 1962 (Qld); 1962 (W.A.); 1963 (S.A.); 1962 (Tas); 1962 (N.T.); *Business Names Ordinance* 1966 (A.C.T.). This legislation repealed the pre-existing non-uniform acts of each state and territory and has remained substantially uniform.

30. Jenkins Committee, *op. cit.*, para. 436; Byrne, J.H., *Business names*, Intellectual Property Seminar, Queensland Law Society Inc. Continuing Legal Education Committee, 20 June 1981.

31. e.g. Latimer, P., *Australian Business Law*, CCH Australia Ltd., 1987 edition, #12-010.

renders the person in default liable to prosecution for an offence against the Act,³² although such non-registration does not operate to avoid any agreement, transaction etc. involving the business bearing an unregistered business name.³³

Administration of company, business and association names remains state/territory based and is handled by each local Commission. The scope of names proscribed by the Prohibited Names Direction³⁴ appears wide with the statement that (except with the consent of the Minister) names shall not be accepted for registration as a business name which fail the subjective test that they are likely to be confused with or mistaken for a registered company name; the name of an incorporated association, building society, co-operative company, co-operative society, co-operative housing society, credit union or friendly society; or a registered business name. The subjective nature of these tests, and the delays and business costs associated therewith led to the issue in December 1985 by the New South Wales Corporate Affairs Commission of a Discussion Paper proposing deregulation of business names legislation in NSW.³⁵ The proposal includes the repeal of the *Business Names Act 1962* (NSW) and its replacement with disclosure of relevant identifying information by persons using business names. This move, following the U.K. precedent of 1981, still fails to address the thesis of the paper. Whereas it proposes formulation of objective tests to apply in determining the availability of a name, and retention of the prohibition against the use of certain words in business names without the consent of the Minister (i.e. the Prohibited Names Direction), it makes no mention of the interaction with names registered under other legislation.

Business names legislation is only of state/territory operation. Further, a business name could still include a design name registered under the *Designs Act 1906* (Cth), a patent name registered under the *Patents Act 1952* (Cth) or a trade mark registered under the *Trade Marks Act 1955* (Cth),³⁶ (subject to protection by infringement proceedings under the tort of passing off or the *Trade Practices Act*; under the latter Act, registration of a business name does not necessarily provide any defence to proceedings brought under s. 52).³⁷

However, s. 10 of the uniform *Business Names Act 1962/1963*, like ss. 64 and 65(3) of the Companies Code, does authorise the Commission³⁸ to cancel registration of a registered business name 'registered through inadvertence or otherwise', but unlike some of the industrial property legislation,³⁹ this power is merely directory and not mandatory and gives no opposition rights to a registered name holder.⁴⁰ It is submitted that this aspect of the industrial property legislation be seen as a precedent for enactment throughout the names legislation considered in this paper.

4. Names Protection Under Associations Incorporation Legislation

As in the case of incorporated companies registered under the Companies Code, a

32. *Business Names Act*, *op. cit.*, s. 27.

33. *Ibid.*, s. 5(5).

34. e.g. Prohibited (Business) Names Direction (Victoria), 5 June 1984, clause 1, footnote 5, *supra*.

35. New South Wales Corporate Affairs Commission, *Proposed Deregulation of Business Names Legislation*, Discussion Paper, December 1985, discussed in *Deregulation — Business Names Register on the way out*, Law Society Journal, Vol. 24, No. 3, 62 (April 1986); *Opposition to business names deregulation*, Law Society Journal, Vol. 24, No. 4, 47 (May 1986).

36. Although such business names registration would not of itself provide any protection against action for passing off or for infringement of a registered trade mark: Lahore, *op. cit.*, p.2536.

37. e.g. *Aspar Autobarn Co-operative Society Ltd. v. Dovala Pty. Ltd.* (1986) ATPR #40-727.

38. Under the *Companies (Administration) Act 1981* of each participating jurisdiction.

39. For example, *Patents Act 1952* (Cth) s. 59 (opposition by 'a person interested'; *Trade Marks Act 1955* (Cth) s. 49 (opposition by 'a person').

40. see footnote 19.

statement of the name is the first requirement of an application for incorporation as an association under the associations incorporation legislation in force in all jurisdictions (except N.S.W.).⁴¹ Beyond this basic requirement, however, names control under associations legislation differs from that under companies and business names legislation and in some instances offers positive guidance which should be incorporated into the names provisions under the other legislation considered in this paper.

Names control under the associations incorporation legislation requires formulation of and disclosure of the name of the association,⁴² in some jurisdictions compliance with a Prohibited Names Direction,⁴³ as well as the names and addresses of the persons constituting the committee and other formalities such as a copy of the rules of the association.⁴⁴

Unlike companies legislation,⁴⁵ and in line with business names legislation, associations legislation generally does not provide a formal procedure for names reservation. However, several jurisdictions require publication of notice of intention to incorporate, which includes the proposed name of the association.⁴⁶ In these jurisdictions there is a period of between fourteen days⁴⁷ and one month to allow for lodging notice of objection to incorporation for reasons such as 'that the association is not an association within the meaning of this Act'⁴⁸ or that the name of the association conflicts with a name already registered under other names legislation.⁴⁹ Further, most jurisdictions vest discretion in the Commissioner/Registrar to reject the application for registration⁵⁰ or to direct a change of name,⁵¹ but in contrast to the industrial property legislation considered below, no opposition rights are granted to name holders after registration of an offending association name. Only in Victoria does the legislation provide that where an application is made in accordance with the statutory procedure, the Registrar 'shall' (i.e. must?) grant a certificate of incorporation.⁵²

In addition to names protection by these means, associations legislation in the different jurisdictions provide various controls on the names available for registration. As indicated in the Appendix, there is a wide range of criteria governing undesirable association names, and it is submitted that some of the tests contained in this legislation could provide the basis of names control in the other legislation considered in this paper. Some legislation

41. *Associations Incorporation Act 1981 (Vic.)*; *Associations Incorporation Act 1981 (Qld.)*; *Associations Incorporation Act 1985 (S.A.)*; *Associations Incorporation Act 1895 (W.A.)*; *Associations Incorporation Act 1964 (Tas.)*; *Associations Incorporation Ordinance 1953 (A.C.T.)*; *Associations Incorporation Act 1980 (N.T.)*. See generally Fletcher, K.L., *The Law Relating to Non-profit Associations in Australia and New Zealand*, Sydney, The Law Book Co. Ltd., 1986, Ch. 14, 'The Incorporation Process'.

42. For example, Vic., s. 5(a)(i); N.S.W., s. 9(a)(i); Qld., s. 9(a); *Associations Incorporation Regulations 1985 (S.A.)* r. 10 (1)(f)(ii); W.A., s. 3(1)(a); Tas., s. 3(2)(a); A.C.T., s. 5(2)(a); N.T., s. 7(2)(a).

43. For example, Victoria, 4 June 1984: Victoria Government Gazette, 20 June 1984, p. 1964; *supra*, footnote 5.

44. Vic., s. 5(a)(iii); Qld., s. 9(d); S.A., s. 9(2)(d) and (e); W.A., s. 3(1)(a); Tas., s. 3(2)(d); A.C.T., s. 5(2)(d); N.T., s. 7(2)(d).

45. Above, Part II.

46. Qld., ss. 11(2)(a), (3); W.A., s. 3; Tas., s. 3; A.C.T., ss.3-5; N.T., s. 5 (incorporated association); s. 25A (incorporated trading association).

47. Qld. s. 11(2)(b) (in effect); W.A., s. 4; Tas., s. 5; A.C.T., s. 4; N.T., s. 6 (incorporated associations); s. 25B (incorporated trading association).

48. For example, Tas., s. 5(1)(b).

49. S.A., s. (7)(1) (IV); Tas., s. 5(1)(e).

50. Qld., ss. 11; S.A., s. 10; W.A. s. 3(3)(a); Tas. s. 8; A.C.T., s. 6(1); N.T., s. 8 (incorporated association); s. 25D (incorporated trading association).

51. Qld. ss. 17; W.A. s. 4; Tas. s.8. There is no such jurisdiction in Victoria. Compare Companies Code ss. 64, 65(3); *Business Names Act 1962/63* s. 10.

52. Vic. s. 7 'the Registrar shall grant a certificate of incorporation'.

renders the person in default liable to prosecution for an offence against the Act,³² although such non-registration does not operate to avoid any agreement, transaction etc. involving the business bearing an unregistered business name.³³

Administration of company, business and association names remains state/territory based and is handled by each local Commission. The scope of names proscribed by the Prohibited Names Direction³⁴ appears wide with the statement that (except with the consent of the Minister) names shall not be accepted for registration as a business name which fail the subjective test that they are likely to be confused with or mistaken for a registered company name; the name of an incorporated association, building society, co-operative company, co-operative society, co-operative housing society, credit union or friendly society; or a registered business name. The subjective nature of these tests, and the delays and business costs associated therewith led to the issue in December 1985 by the New South Wales Corporate Affairs Commission of a Discussion Paper proposing deregulation of business names legislation in NSW.³⁵ The proposal includes the repeal of the *Business Names Act 1962* (NSW) and its replacement with disclosure of relevant identifying information by persons using business names. This move, following the U.K. precedent of 1981, still fails to address the thesis of the paper. Whereas it proposes formulation of objective tests to apply in determining the availability of a name, and retention of the prohibition against the use of certain words in business names without the consent of the Minister (i.e. the Prohibited Names Direction), it makes no mention of the interaction with names registered under other legislation.

Business names legislation is only of state/territory operation. Further, a business name could still include a design name registered under the *Designs Act 1906* (Cth), a patent name registered under the *Patents Act 1952* (Cth) or a trade mark registered under the *Trade Marks Act 1955* (Cth),³⁶ (subject to protection by infringement proceedings under the tort of passing off or the *Trade Practices Act*; under the latter Act, registration of a business name does not necessarily provide any defence to proceedings brought under s. 52).³⁷

However, s. 10 of the uniform *Business Names Act 1962/1963*, like ss. 64 and 65(3) of the Companies Code, does authorise the Commission³⁸ to cancel registration of a registered business name 'registered through inadvertence or otherwise', but unlike some of the industrial property legislation,³⁹ this power is merely directory and not mandatory and gives no opposition rights to a registered name holder.⁴⁰ It is submitted that this aspect of the industrial property legislation be seen as a precedent for enactment throughout the names legislation considered in this paper.

4. Names Protection Under Associations Incorporation Legislation

As in the case of incorporated companies registered under the Companies Code, a

32. *Business Names Act*, *op. cit.*, s. 27.

33. *Ibid.*, s. 5(5).

34. e.g. Prohibited (Business) Names Direction (Victoria), 5 June 1984, clause 1, footnote 5, *supra*.

35. New South Wales Corporate Affairs Commission, *Proposed Deregulation of Business Names Legislation*, Discussion Paper, December 1985, discussed in *Deregulation — Business Names Register on the way out*, Law Society Journal, Vol. 24, No. 3, 62 (April 1986); *Opposition to business names deregulation*, Law Society Journal, Vol. 24, No. 4, 47 (May 1986).

36. Although such business names registration would not of itself provide any protection against action for passing off or for infringement of a registered trade mark: Lahore, *op. cit.*, p.2536.

37. e.g. *Aspar Autobarn Co-operative Society Ltd. v. Dovala Pty. Ltd.* (1986) ATPR #40-727.

38. Under the *Companies (Administration) Act 1981* of each participating jurisdiction.

39. For example, *Patents Act 1952* (Cth) s. 59 (opposition by 'a person interested'; *Trade Marks Act 1955* (Cth) s. 49 (opposition by 'a person').

40. see footnote 19.

statement of the name is the first requirement of an application for incorporation as an association under the associations incorporation legislation in force in all jurisdictions (except N.S.W.).⁴¹ Beyond this basic requirement, however, names control under associations legislation differs from that under companies and business names legislation and in some instances offers positive guidance which should be incorporated into the names provisions under the other legislation considered in this paper.

Names control under the associations incorporation legislation requires formulation of and disclosure of the name of the association,⁴² in some jurisdictions compliance with a Prohibited Names Direction,⁴³ as well as the names and addresses of the persons constituting the committee and other formalities such as a copy of the rules of the association.⁴⁴

Unlike companies legislation,⁴⁵ and in line with business names legislation, associations legislation generally does not provide a formal procedure for names reservation. However, several jurisdictions require publication of notice of intention to incorporate, which includes the proposed name of the association.⁴⁶ In these jurisdictions there is a period of between fourteen days⁴⁷ and one month to allow for lodging notice of objection to incorporation for reasons such as 'that the association is not an association within the meaning of this Act'⁴⁸ or that the name of the association conflicts with a name already registered under other names legislation.⁴⁹ Further, most jurisdictions vest discretion in the Commissioner/Registrar to reject the application for registration⁵⁰ or to direct a change of name,⁵¹ but in contrast to the industrial property legislation considered below, no opposition rights are granted to name holders after registration of an offending association name. Only in Victoria does the legislation provide that where an application is made in accordance with the statutory procedure, the Registrar 'shall' (i.e. must?) grant a certificate of incorporation.⁵²

In addition to names protection by these means, associations legislation in the different jurisdictions provide various controls on the names available for registration. As indicated in the Appendix, there is a wide range of criteria governing undesirable association names, and it is submitted that some of the tests contained in this legislation could provide the basis of names control in the other legislation considered in this paper. Some legislation

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42. For example, Vic., s. 5(a)(i); N.S.W., s. 9(a)(i); Qld., s. 9(a); *Associations Incorporation Regulations 1985* (S.A.) r. 10 (1)(f)(ii); W.A., s. 3(1)(a); Tas., s. 3(2)(a); A.C.T., s. 5(2)(a); N.T., s. 7(2)(a).

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45. Above, Part II.

46. Qld., ss. 11(2)(a), (3); W.A., s. 3; Tas., s. 3; A.C.T., ss.3-5; N.T., s. 5 (incorporated association); s. 25A (incorporated trading association).

47. Qld. s. 11(2)(b) (in effect); W.A., s. 4; Tas., s. 5; A.C.T., s. 4; N.T., s. 6 (incorporated associations); s. 25B (incorporated trading association).

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49. S.A., s. (7)(1) (IV); Tas., s. 5(1)(e).

50. Qld., ss. 11; S.A., s. 10; W.A. s. 3(3)(a); Tas. s. 8; A.C.T., s. 6(1); N.T., s. 8 (incorporated association); s. 25D (incorporated trading association).

51. Qld. ss. 17; W.A. s. 4; Tas. s.8. There is no such jurisdiction in Victoria. Compare Companies Code ss. 64, 65(3); *Business Names Act 1962/63* s. 10.

52. Vic. s. 7 'the Registrar shall grant a certificate of incorporation'.

proscribes names deemed 'undesirable' or unacceptable as association names,⁵³ and, as indicated in the Appendix, such names include names already registered under other legislation such as that governing companies, business names, building societies etc. as well as names considered 'likely to deceive',⁵⁴ 'undesirable',⁵⁵ prohibited under the Prohibited Names Direction⁵⁶ or the catch-all 'is not likely to be confused with the name of any body corporate or any registered business name'.⁵⁷

However effective an amalgamation of these tests would be, and notwithstanding the catch-all provision just noted, none of the legislation expressly includes the names or titles of designs, patents or trade marks registered under Commonwealth legislation. Inclusion of cross reference to names control under this legislation would be desirable in amendments to names legislation.

Changing the name of an incorporated association is regulated along lines similar to those established for the choice of a name for a new association. It would not appear to be possible to incorporate an association, and then apply for a change of name to utilise an existing name considered undesirable, misleading, etc., as in all jurisdictions except W.A.,⁵⁸ change of name comes back to the same tests as choice of name for a new association.

If an undesirable etc. name survives examination by the registering authorities and the objection procedure laid down in the legislation, it appears that the Commissioner/Registrar does possess at the registration stage the power to direct a change of name⁵⁹ although only in the territories is there explicit authorisation on the part of the Commissioner/Registrar to actually direct a change of name at a later time.⁶⁰ It is submitted that enforcement of names law would be enhanced if this power of direction were passed on a uniform basis in all associations incorporation legislation with standing to object given to any aggrieved name holder under any of the legislation considered in this paper.

5. Nationwide Registration of Names

Having considered problems inherent in the current state/territory based distributed system of names control and the considerable potential for confusion caused by an absence of, or only local co-ordination of, registration, this article now raises the critical issue — seen by some as being 'too hard' — of the nationwide registration of names (i.e. those of companies, businesses and associations as well as those of designs, patents and trade marks) and the arguments for and against.

Arguments in favour of current system of distributed names control

Those supporting the current distributed system of names control point to some or all of the following reasons for maintenance of the status quo:

- (a) the administrative procedures associated with the regulation of company names have been evolved and tested by the four Interstate Corporate Affairs Commission states since 1974

53. For example, Qld., s. 5 'undesirable name'; W.A., s. 4A; S.A. s. 20(1)(c); Tas. s.9 ('Names of associations'); A.C.T., s. 2 ('unauthorized names'), N.T., s. 4, ('unauthorized names').

54. For example, Qld., s. 5 'undesirable name' (c).

55. For example, N.S.W. s. 12(1); S.A. s. 20 (1)(c)(iii); Tas., 9(1)(b).

56. For example, Victoria, 4 June 1984, *supra*, footnotes 5, 34.

57. S.A. s. 10(1)(c).

58. Vic., s. 13; N.S.W. s. 14; Qld., s. 17; S.A., s. 24(5)(a); Tas., s. 10; A.C.T., s. 14; N.T., s. 17 (incorporated association); s. 25 (incorporated trading association).

59. Above, footnote 51. In W.A., the onus lies on the complainant: s. 7.

60. A.C.T., s. 14(3); N.T., s. 17(3) (incorporated association); s. 25Z(3) (incorporated trading association).

- (b) studies show that reasonably small numbers of interstate reservations are currently sought by companies. A Victorian survey of registrations effected in 1975-1977 indicated that 5.5% of all companies incorporated sought interstate reservation, and to that extent one-place registration or reservation of a company or business name having Australia wide effect may be accused of being regulatory overkill. Figures obtained from the Victorian Corporate Affairs Commission (1984) had shown a rise to 15-20%. Very many business names, registered for three years under the business names legislation, are not renewed at the expiry of three years
- (c) similar figures for interstate registration of businesses and associations would indicate little demand from businesses and associations for interstate reservation and registration
- (d) trade marks, designs and patents, registered under Commonwealth legislation, are widely recognised as giving proprietary rights and a limited monopoly in contrast to the primary purpose of identification given to holders of registered company, business and association names
- (e) accordingly, current names procedures are well understood by the legal and business communities, and to change the current system would provide no real benefits beyond the doubtful benefit of change for change's sake.

Arguments against current system of distributed names control

On the other hand, and no matter how tried and tested, the current modified Interstate Corporate Affairs Commission scheme may be accepted as inconsistent with the aims and policy of the co-operative companies and securities scheme, and the distributed scheme of names control remains the final block to a true nationwide scheme of companies and securities regulation. When business, association, trade marks, patent and design names are added, the volume becomes too overwhelming for current unco-ordinated practice. Accordingly, the arguments against the current scheme include the following:

- (a) because the volume of names registered under the various statutes continues to expand, the likelihood of error, mistake or negligence and the consequent need to change a name may in time lead to action in negligence by a registrant against the relevant registering authority. In Canada, for example, a change of name required by the Department of Consumer and Corporate Affairs following failure on the part of the computer to 'pick out' the name of an already registered company bearing a name similar to that registered by the applicant was compensated by damages of \$4,000. Such an oversight could occur with the national co-ordination proposed in this paper, but it is submitted to be a more likely occurrence under the current system. Ever-expanding negligence law may now that this principle further to include consequential economic damages.⁶¹
- (b) problems over identity and other confusion can arise when two or more companies, businesses or associations are incorporated in different jurisdictions with identical names. Unlike the limited monopoly conferred by the registration of a trade mark, patent or design, the registration of a company, business or association name does not confer proprietary rights to that name.
- (c) because company, business and association names are not 'private property', the

61. *The Queen v. 87118 Canada Ltd.* 56 Canadian Patent Reporter (2d) 209 (1981); the future?: *L. Shaddock & Associates Pty. Ltd. v. Parramatta City Council* (1981) 55 A.L.J.R. 713; *Cambridge Credit Corporation Ltd. v. Hutcheson* (1985) 3 A.C.L.C. 263; (1985) Aust. Torts Reports 880-706.

promoters of a company, business or association in one jurisdiction may find later expansion of that entity into other Australian jurisdictions impossible because of the unavailability of the name in those other jurisdictions. This result seems commercially unrealistic and is contrary to the aims and intention of the co-operative companies and securities scheme.⁶²

- (d) because names control is still based on each of Australia's nine jurisdictions, no real co-operative national system of names control has been established. In view of the fragmentation so-caused, the effect of the co-operative companies and securities scheme is nothing much more than an expanded version of the former Interstate Corporate Affairs Commission with a different bureaucratic structure (the NCSC) in an ideal position as co-ordinator of a nationwide approach to names through its delegates, the Corporate Affairs Commissions/Offices of each of the seven participating jurisdictions.
- (e) a system of names control based on a single central registry of names was recommended in a paper circulated by the then N.S.W. Attorney-General in 1970. Reasons of efficiency and economy were advanced to support this system over the alternative of sub-registries in each jurisdiction.

Arguments in favour of a nationwide approach to names control

The co-operative nationwide approach supported in this article seeks to provide that once a company, business or association is incorporated in its home jurisdiction, or once a foreign company is registered in one jurisdiction, it should be able to carry on business or to establish business in any other jurisdiction without the need for any additional approvals in relation to its name.⁶³ It would lead to the fairly simple result of one business entity, one name operational for the whole of Australia. Before approval could be given to the use of the name, it would have to be cleared in all seven jurisdictions. The arguments in favour of a nationwide approach to company, business and association names are as follows:

- (a) to maintain a system of names control less than one name, one entity runs counter to the aims and policy of the co-operative companies and securities scheme. With the policy of the scheme providing for only one system of administration in relation to Australian and foreign corporations, any scheme which does not provide for complete company administration in one jurisdiction fails to rise to the standards of the 1981 Formal Agreement⁶⁴
- (b) a national system, with one name for one business entity will facilitate business expansion beyond the bounds of the home jurisdiction. Such a scheme would ensure that an Australian or an overseas business wishing to carry on business across state and territory borders will face no difficulties over the availability of its name in other jurisdictions. Real difficulties can arise under the present law where a company, business or association finds it cannot expand into another jurisdiction if its name is already registered by another business. This in a practical sense is commercially unrealistic, and is contrary to the strong business climate sought to be preserved and encouraged by the co-operative companies and securities scheme.
- (c) problems could not arise where two different business entities are incorporated in different jurisdictions with identical names. As business continues to expand across

62. For example, *Taco Company of Australia Inc. v. Taco Bell Pty. Ltd.* (1982) ATPR #40-303, above, footnote 22.

63. In the words of an internationally known company law professor in correspondence with the writer, 'I would have thought (the thesis of this paper) must be right and whatever system of names' control you have it ought to be nationwide and not just State-wide.'

64. *National Companies and Securities Commission Act 1979* (Cth), Schedule.

state and territory boundaries, problems of different companies trading under the same name in their home jurisdiction must continue to increase

- (d) a central single registry of names under Commonwealth and state legislation could overcome the problems of fragmentation and lack of uniformity caused by the present system. The central registry could be divided into Commonwealth (trade mark, patents and designs) and state divisions (companies, business and association names). If not comprising a central single registry of names, the registry (i.e. Commonwealth and state divisions) could be set up on a co-operative de-centralised basis operational nationwide. Hence, the fact that company promoters in, say, South Australia, can set up a company using the same name as a business already carrying on business under a registered business name in, say, Western Australia is commercially unrealistic and contrary to the one place of regulation set up by the co-operative companies and securities scheme

Arguments against a nationwide approach to names control

The arguments against a nationwide approach to names control can be set out as follows:

- (a) trade should be as unfettered as possible and a person should be able to conduct business under any name provided it is not done for illegal purposes
- (b) the proposed nationwide approach to names control is a result of approaching the issue from the point of view of individuals wishing to protect their interests rather than from the point of view of the community. It is not clear how such a proposal may benefit the community
- (c) the system would progressively restrict the range of names that would be available for what are intended to be locally based entities and operations. The inability of a company, for example, intending to carry on business in only one state or territory because its chosen name is already in use in, say, a different jurisdiction provides barriers to business efficacy and is quite unreasonable in its operation. The system would therefore result in unnecessary obstruction to the business community especially as a person innocently choosing a name under which to conduct business could be precluded from using that name because it had been nationally registered even though the registrant conducted no business in the jurisdiction
- (d) the proposal overlooks the problem which has always existed with persons who conduct similar businesses under their own names which are also similar
- (e) two classes of companies would be created by the introduction of a national approach. The bulk of the existing companies would be able to carry on business only in the state or territory of incorporation whereas companies created after the introduction of a national scheme would not be so restricted
- (f) such a scheme would only be superficially national in character because it will be many years (if ever) before the majority of existing companies, businesses or associations attain national registration. Such entities that operate in one jurisdiction will have little or no inducement to seek national registration and the only companies likely to seek national registration are those already registered as foreign companies or recognized companies in other jurisdictions
- (g) with no incentive for business entities operating only in one jurisdiction to attain national registration, a legal requirement to enforce national registration may be required. This may be unacceptable to the commercial community. If national registration proved impossible because of the unavailability of the company's name in one or another jurisdiction, questions of compensation may arise for loss or expense caused by re-naming the company, re-printing of stationery, re-establishment of goodwill etc.

- (h) one-place national registration of names would be incompatible with the registration of association and business names under state and territory business names legislation. Because nationwide company name registration would not have been sought in the majority of cases, enforced nationwide registration of names will lead to unnecessary problems of identity between company, business and association names
- (i) in view of the small number of companies, businesses or associations carrying on business across borders, there appears to be no real need for a national approach to names. Such a scheme would indicate an overkill for the benefit of the small number of entities carrying on business or represented across state and territory borders, and its principal purpose would be to protect what some individuals would see as their interests
- (j) the direct and indirect costs involved in establishing such a system would far exceed the benefits to be gained. The system would therefore result in additional costs which would have to be borne by the entire community
- (k) the kinds of organisations and property which are subject to statutory registration are so diverse that it is unlikely that uniform laws could be enacted and the uniformity maintained.

6. Proposed Reforms to the Law of Names

This paper has examined the apparent ease by which a name already registered under one statute can be independently registered under another statute. It recognises that there are some legal constraints to cross-registration, but has highlighted the considerable potential for misleading and deception so caused and has suggested that the effective practical remedies (of opposition or expungement procedures under some of the legislation or of private and expensive enforcement action under either the tort of passing off or the *Trade Practices Act 1974* (Cth)) place costs upon the registrant which would not have arisen had a systematic and complete pre-registration names cross-referencing procedure existed.

It is suggested that the current law regulating names, dispersed through several Commonwealth and state/territory statutes is amenable to quite simple amendment in the following manner to overcome the problems highlighted:

- (a) Uniform amendment of the companies, business names, associations incorporation, designs, patents and trade marks legislation as considered in this paper by the introduction of provisions which
 - (i) include as 'undesirable' or 'unauthorized' names any name which is already registered under any federal or state law or any Directions thereunder⁶⁵ and
 - (ii) prohibit the use of a name prohibited by any federal or state/territory law,⁶⁶ and
 - (iii) prohibit a name the use of which would be likely to deceive or cause confusion⁶⁷
- (b) Uniform amendment to the companies, business names, associations incorporation, designs, patents and trade marks legislation
 - (i) to provide for or to widen the existing administrative and legislative procedure for administrative cross checking of all names registries by the registering authority upon application for registration⁶⁸

or

65. For example, as in *Associations Incorporation Act 1981* (Qld) s. 5; *Associations Incorporation Ordinance 1953* (A.C.T.) s. 4; *Associations Incorporation Act 1980* (N.T.) s. 4.

66. For example, *Associations Incorporation Act 1956* (S.A.) s. 10(b).

67. For example, *Trade Marks Act 1955* (Cth) s. 28(a); cf. I.P.A.C. Report, *op. cit.*, Recommendation 2(b), p.25.

68. cf. I.P.A.C. Report, *op. cit.*, Recommendation 2 (a), p.25.

- (ii) to require that an applicant for registration of a name produce a clearance certificate from all registries as a condition precedent to registration. With the inevitable development of a nationwide on-line names bank (as in Canada) which includes all names, this requirement should not be onerous, although the issuing of a certificate could open the issuing authority to potential liability in negligence. At present the onus is on the registrant to check names registries, phonebook etc.
- (c) Options that could be considered include
 - (i) the provision by legislation of proprietary rights over company, business and association names — ‘one person one name’. Hence, there could be only one ‘Joe’s Fish Shop’, but this could be qualified by the requirement of identification of bounds such as ‘Joe’s Fish Shop (Southport)’, ‘Joe’s Fish Shop (Bondi)’ etc. The fee for registration would be set according to the geographic bounds sought.
 - (ii) the empowering of Commissions to direct a company, business or association to change its name within say six months of registration if the Commission considers the name undesirable on any grounds.⁶⁹ For example s. 59 of the *Patents Act 1952 (Cth)* could provide guidance on this point, although it should be widened to include names registered under any legislation federal, state or territory or regulations thereunder and the three month cut off point removed.
 - (iii) the provision of suitable opposition and expungement procedures capable of being initiated at the instance of persons whose rights may be affected.⁷⁰ Existing procedures generally require action at the instance of the relevant Commission, Registrar or Commissioner. Hence a registered trade mark could be expunged by the court or the Commission upon the application of any name holder affected if found to entail the use of any existing company or business name.
 - (iv) specific authorisation in all the legislation considered of cross-registration of a name by a registrant across all the legislation. Hence, a company should be specifically authorised to register its own corporate name as, or as part of, a trade mark, and similarly, a person who, or a company which, has registered a business name should be specifically authorised to register that business name as, or as part of, a trade mark.

Conclusion: Co-ordination not regulation

This paper expresses the view not accepted by all registering authorities that nationwide registration of all names is inevitable as state and territory boundaries continue to fade with the increasing electronification of the Australian economy. At the time of writing, registered N.S.W. and Victorian business and company names are accessed on the CLIRS computerised legal data base, and when the Queensland registers are added in 1987, it is expected that some 90% of Australia’s registered business and company names will then be available for search by CLIRS subscribers. In time the other registers will no doubt be added. Distance, time and left-over colonial differences have all but disappeared and it is time to co-ordinate the various Commonwealth and state/territory statutes dealing with names. It is bad business that the possibility exists of seven unrelated companies operating in the eight Australian jurisdictions party to the co-operative scheme under the same and

69. cf. I.P.A.C. Report, *op. cit.*, Recommendation 2(c), p.25.

70. cf. I.P.A.C. Report, *op. cit.*, Recommendation 2(d), p.25.

the identical company name. It is also bad business that a well-known trade-mark or design name, registered by an unconnected person as a company, business or association name, has to be 'deregistered' by private enforcement proceedings under for example the *Trade Practices Act 1974* (Cth.).

The thesis of this paper of 'one person one name' would ensure that an Australian or overseas business, company etc. could carry on business in any of the nine Australian jurisdictions once its name had been registered (once only) in its home jurisdiction in the network. Separate name clearance in the case of companies is arguably incompatible with the co-operative companies and securities scheme, and, it is submitted that, in conformity with the aims and spirit of the scheme, nationwide registration is inevitable and must be legislatively facilitated.

Such sentiments have been expressed by those holding positions of authority within the regulatory authorities. As Mr. K.I. McPherson, the South Australian Commissioner for Corporate Affairs notes, '(s)uch a system (i.e. national registration) has obvious problems but may be developed in time'.⁷¹ Similarly, Mr. J.C. Cooke, the Chairman of the N.S.W. Corporate Affairs Commission has noted that 'a register of names on a national basis is an obvious extension (of the co-operative scheme) if the difficulties associated with existing names can be overcome. The cost of such a system may prove prohibitive.'⁷² But instead of viewing such a system as only for the benefit of company matters (document registration, company accounts, substantial shareholdings in listed companies and securities and industry licensing), the mooted and developing nationwide on-line network must be comprehensive on the subject of names and provide for at least the pre-registration names cross-referencing encompassing not only company names but also names registered under business names, associations incorporation, designs, patents and trade marks legislation.

71. Business Law Education Centre, *The National Companies Legislation*, November 1981, p.75.

72. *ibid.*, p.50. This and the previous quotation are taken in good faith as reflecting sentiments expressed and are believed not to be quoted out of context.