



EXCO MEETING, CAPE TOWN 13 & 18 APRIL 2015

COUNTRY REPORT

TITLE:	Country report for New Zealand
DRAWN UP BY:	Jim Piper, President/Delegate
TABLED TO:	FICPI delegates
PURPOSE:	For information and consideration
SNIPPET:	News from and activities of the FICPI national group in [New Zealand] since the Barcelona ExCo in November 2014.

SECTION A: ACTIVITIES OF FICPI ASSOCIATION/SECTION

The information supplied in Section A will remain confidential on FICPI's website after the ExCo (will require a password).

SECTION B: CHANGES IN LAW

Information supplied under Sections B and C will be published on FICPI's website after the ExCo and will be available to the public.

B1. LEGISLATION

- Please provide details of any changes to IP legislation (patent, trade mark, design and other) in your country implemented or due to be implemented since you reported last in October 2014.
[None](#)

B2. MAJOR CASES

- Please provide brief details of any new case law in the field of patents, trademarks, design or other IP of general interest.

Plaintiff	Opponent	Jdmt Date	Court Ref	Case Type
Metalman New Zealand Ltd	Scrapman BOP Limited	26/08/2014	2014 NZHC 2028	Trade Marks
Sexwax Incorporated	Zoggs International Ltd	9/09/2014	2014 NZCA 311	Trade Marks
Chettleburgh	Seduce Group Australia Pty Ltd	12/09/2014	2014 NZHC 2220	Trade Marks, Passing Off
Lacoste	Crocodile International Pte Limited	25/09/2014	2014 NZHC 2349	Trade Marks
NYDJ Apparel LLC	Commissioner of Trade Marks	30/10/2014	2014 NZHC 2678	Trade Marks
The Co-Operative Bank Ltd	Anderson	30/10/2014	2014 NZHC 2686	Trade Marks, Passing Off, Fair Trading
Virbac SA	Merial	17/12/2014	2014 NZCA 619	Trade Marks
Cure Kids	National SIDS Council of Australia Ltd	19/12/2014	2014 NZHC 3366	Trade Marks



2014 NZHC 2028 Metalman New Zealand Ltd v Scrapman BOP Ltd

In *Metalman New Zealand Ltd v Scrapman BOP Ltd* the High Court overturned a decision of the Assistant Commissioner of Trade Marks which had found that Metalman's registration should be revoked for non-use.

In December 2012 a small business based in Oamaru assigned to Metalman a registered complex logo which contained the phrase SCRAP MAN as a prominent feature. About two weeks later Scrapman filed for revocation of the mark based on non-use. Consequently, the relevant non-use period of 3 years and one month prior to the application for revocation being filed covered a period when the mark was owned by the small Oamaru business. The only evidence of use during that period was a single advertisement placed in a newspaper circulating in the Oamaru area.

The Assistant Commissioner accepted there is no de minimus rule regarding the amount of use required of a trade mark, it only needs to be genuine use. However, the Assistant Commissioner considered the information given about the single advertisement made putting it in context difficult. Further, there was no explanation for why only a single advertisement was filed and why no other evidence of use was available. On this basis the Assistant Commissioner concluded that the owner had not discharged their onus of establishing genuine use and so ordered that the mark be revoked.

On appeal the High Court Judge considered that the Assistant Commissioner had set the bar too high. The Judge noted that neither the applicant nor the Assistant Commissioner could suggest an ulterior motive for the single advertisement, the absence thereof pointed towards it being genuine use. The Judge also held that in the absence of evidence to the contrary the context of the publication was not relevant. Regarding the lack of evidence of other use of the mark, the Judge agreed with the owners submission that the logo mark is in the form of an advertisement and is suited to such uses rather than to appearing on office stationary or staff uniforms. The Judge concluded that the use of the mark, although minimal, was nonetheless genuine.

2014 NZCA 311 SEXWAX INCORPORATED V ZOGGS INTERNATIONAL LIMITED

In *SEXWAX INCORPORATED V ZOGGS INTERNATIONAL LIMITED* THE COURT OF APPEAL QUASHED THE PRIOR HIGH COURT JUDGMENT AND ORDERED THAT THE APPLICATION FOR ZOGGS in class 25 for "clothing, footwear, headwear, swimwear, t-shirts ..." NOT PROCEED TO REGISTRATION. The earlier High Court judgment had overturned an Assistant Commissioner's decision that upheld the opposition by Sexwax to Zoggs application to register ZOGGS.

Sexwax began in California in the early 1970's and quickly specialized in surfboard wax marketed with a circular logo prominently containing the text "MR. ZOGS SEX WAX". It also sold t-shirts with the logo or parts thereof on. While the mark is well known in the New Zealand surfing community, there has been no attempt to register the mark in New Zealand. Zoggs International was founded in Australia in 1992 and initially primarily made swimwear goggles branded ZOGGS, which have been sold in New Zealand since 1994. The company expanded into swimwear, which, following a rebranding in 2000, were also branded ZOGGS.

The High Court Judge found that there was only sufficient reputation in New Zealand for the complex logo and not for its constituent elements. While there was evidence of the constituent elements having reputation overseas, this did not justify a finding of spill-over reputation. Regarding the degree of awareness in the relevant market the Judge found the swimwear buying public to be a very large market. While the complex logo had sufficient awareness amongst the surfing community, there was insufficient evidence to conclude that that was a significant portion of the relevant market. When comparing ZOGGS with the complex logo the Judge held it was not likely to cause confusion.

In quashing the High Court decision the Court of Appeal held that the trial Judge had misapplied the test for determining the relevant market in which reputation is assessed. The trial Judge had construed the relevant market widely based upon the market targeted by the applicant. However, the Court of Appeal held that the relevant market should be determined by the market targeted by the opponent. On this basis the Court of Appeal found the evidence established that the opponent's mark was well-known within that smaller market.

Regarding the similarity of the marks the Court of Appeal affirmed that the complex MR ZOGS SEX WAX logo needs to be compared with ZOGGS. However, the Court of Appeal also noted the prominence of MR ZOGS within that logo and the evidence of purchasers of the products referring to them as MR ZOGS. Given the



similarity and that relevant purchasers could be caused to wonder if there is a connection the Court of Appeal held that ZOGGS is confusingly and deceptively similar to the MR ZOGS SEX WAX logo.

However, the Court of Appeal also noted that Zoggs may want to re-file the ZOGGS mark with a reduced specification of goods which are less likely to cause confusion with the specialist market in which the MR ZOGS SEX WAX logo has an established reputation.

Zoggs subsequently sought leave to appeal the Court of Appeal decision to the Supreme Court. The Supreme Court declined to grant Zoggs leave to appeal on the basis that the application did not raise any issue of general or public importance and that there was little risk of a substantial miscarriage of justice.

2014 NZHC 2220 Chettleburgh v Seduce Australia Pty Ltd

In *Chettleburgh v Seduce Australia Pty Ltd* the High Court held that Chettleburgh's registration for SEDUCE in class 25 is invalid and should be treated as if it had not been registered on account of prior use by Seduce.

In 2006 Chettleburgh applied for and obtained registration for SEDUCE in relation to various women's fashion clothing items. Seduce sought to invalidate that application in 2008 after it blocked their application lodged in 2007. A sequence of earlier decisions culminated in an Assistant Commissioner of Trade Marks decision in March 2014 which found that Seduce is the true owner in New Zealand of the SEDUCE mark on account of prior use on relevant goods. Between 2001 and 2003 Seduce sold such goods into New Zealand via a wholesaler. It resumed sales into New Zealand directly to retailers in 2006. Between these times notable quantities of Seduce's Australian stock was sold in New Zealand by resellers.

On appeal Chettleburgh argued that Seduce had effectively abandoned the mark in New Zealand between 2003 and 2006. However, the Judge considered that proposition counter-intuitive. The indirectly made sales in New Zealand added to Seduce's profitability, and the evidence showed that during that period listings and sales on Trade Me demonstrated continuing appeal in New Zealand of the SEDUCE brand. Consequently the Judge upheld the Assistant Commissioner's conclusion that Seduce is the true owner of SEDUCE in New Zealand.

The Judge declined to exercise discretion in Chettleburgh's favour by not invalidating his mark. To do so would not achieve the purpose of the legislation as it would allow Chettleburgh to benefit from the goodwill created by Seduce.

2014 NZHC 2349 Lacoste v Crocodile International Pte Ltd

In *Lacoste v Crocodile International Pte Ltd* the High Court overturned the revocation of one of Lacoste's trade marks by an Assistant Commissioner for non-use.

The trade mark registration in issue (70068) consists of the word 'Crocodile' in stylized format beside a crocodile device. 70068 was originally registered by Crocodile, but was assigned to Lacoste in 2004 as part of a settlement agreement between the parties after Lacoste had challenged the mark on the basis of non-use.

Crocodile applied in 2008 to have 70068 revoked for non-use. Lacoste had not used the mark depicted in registration 70068, but had used a similarly shaped crocodile device – although facing the opposite direction. Lacoste had also used the word CROCODILE in relation to the relevant goods.

The Assistant Commissioner considered that there were striking and memorable differences between 70068 and the marks used by Lacoste and found that Lacoste's use altered the distinctive character of registration 70068 and so could not count as evidence of use for that mark. In its reconsideration the High Court considered the differences between registration 70068 and the marks as used from the perspective of the notional average consumer. The most significant difference identified was that the depicted crocodiles were facing in the opposite direction. However, the High Court Judge considered this and other minor differences to be insignificant compared to the similarities in perspective, pose and level of detail in the respective depictions. The Judge concluded that the average consumer would consider the marks to be



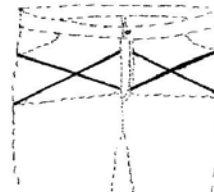
associated with the same manufacturer and that Lacoste's use did not alter the distinctive character of registration 70068 and so could count as use thereof.

Crocodile had pleaded three distinct periods of non-use, and the Assistant Commissioner agreed that each could be considered. However, the Judge held that the Commissioner was wrong on that point, since only the most recent period of non-use is relevant. Any genuine use commenced after a non-use period but before a non-use application is filed will defeat the non-use application.

2014 NZHC 2678 NYDJ APPAREL LLC V COMMISSIONER OF TRADE MARKS

In *NYDJ APPAREL LLC V COMMISSIONER OF TRADE MARKS* NYDJ

successfully appealed an Assistant Commissioner's decision in which registration of their mark was refused. NYDJ's mark is for a criss-cross stitching pattern applied to the inside of the two front pockets to designate that the jeans contain slimming panels. The mark is not visible when the jeans are worn.



The Assistant Commissioner considered the design had a "low level" of inherent distinctiveness and that other traders may wish to use such a mark without improper motive. The Assistant Commissioner also considered that consumers may assume it to be functionally related to the technical function of the slimming panels, and it was also noted that the mark is applied in a location that consumers are not accustomed to finding a trade mark. Regarding acquired distinctiveness the Assistant Commissioner was not convinced that purchasers would view the criss-cross stitching as a trade mark and that, due to the hidden nature of the mark, nor would the general public.

The Court acknowledged that the stitching could be viewed as merely functional, but also recognized that stitching can and has functioned as trade marks on jeans. It was noted that while the specification was not delimited as such, in-use the criss-cross stitching is in the contrasting colour of red or purple. NYDJ agreed to amend the 'explanation' associated with the mark and to subject the mark to a disclaimer regarding stitching in a criss-cross pattern in general. Subject to these and some other minor changes the Court considered the mark has an inherently distinctive character.

The Court also considered NYDJ had done enough to establish acquired distinctiveness and considered that the Assistant Commissioner reached the opposite conclusion on account of setting the evidentiary bar too high. NYDJ used the criss-cross symbol in its promotional activities and on 'fit days' a 'fitting expert' would point out the distinguishing stitching to customers. Evidence also showed that retailers regarded the stitching as distinctive and associated it with NYDJ.

2014 NZHC 2686 The Co-Operative Bank Ltd v Anderson

In *The CO-OPERATIVE BANK LTD V ANDERSON* THE HIGH COURT REFUSED TCB an interim injunction against the trustees of the NZ Association of Credit Unions (NZACU), who had been using names that included the phrase 'co-op'.

TCB is currently the only bank in New Zealand registered as a co-operative. It has a trade mark registration for a logo that includes the words 'THE CO-OPERATIVE BANK'. However, its application to register the word mark 'THE CO-OPERATIVE BANK' was refused.

NZACU is a representative industry body that is co-operatively owned by 17 member Credit Unions and Building Societies. However, unlike TCB, neither NZACU nor its members are a bank, although recent legislative changes have allowed the members to offer a range of financial services including savings, loans and insurance products. In light of the legislative changes NZACU sought to rebrand different divisions of its operations, with each division including 'co-op'. Trade mark applications were filed for each of the names, which were accepted and subsequently opposed by TCB.

While not objecting to the use of the descriptor 'CO-OPERATIVE', TCB argued that NZACU's proposed use of 'co-op' would be deceptively similar to its name as well as its trade mark incorporating that name. NZACU put the rebranding on hold pending the outcome of the proceedings.

The Judge rejected TCB's passing off claim. While acknowledging that TCB had some goodwill in its name and that a significant group of customers associated 'CO-OP' with TCB, it had not sufficiently established any secondary meaning in the phrase 'co-op' other than as an abbreviation of 'co-operative'. Nor could



misrepresentation be established, given that public use had not commenced. The Judge also held that future use by NZACU would be unlikely to cause confusion that would significantly damage TCB's goodwill. The Judge commented that parties who use descriptive names have to tolerate some degree of confusion.

In the absence of establishing any misrepresentation or a likelihood of confusion the Judge also rejected TCB's claims for breach of the Fair Trading Act 1986.

Regarding the trade mark infringement claim the Judge held that the words and get-up of the respective parties marks were insufficiently similar and would be unlikely to result in confusion or deception. The Judge considered NZACU's use of 'co-op' to be a fair representation of the nature of the entities involved and the services offered, and that such use was in accord with honest practices in commercial matters as provided by subsection 95(c)(i) of the Trade Marks Act 2002.

2014 NZCA 619 Virbac SA v Merial

In *Virbac SA v Merial* the Court of Appeal partially allowed Virbac's appeal, holding that FIPROLINE could be registered – although only for goods containing fipronil.

The earlier High Court decision held that there are sufficient visual and phonetic similarities between Merial's FRONTLINE and Virbac's FIPROLINE marks to make confusion likely where there is imperfect recollection or non-discerning or incautious purchasers.

The Judge also held that the market awareness of the active ingredient fipronil together with the unusual and distinctive sound of the shared prefix for fipronil and FIPROLINE would make it likely that the purchasing public expects FIPROLINE to contain fipronil. The Judge considered the brand and the ingredient to be visually, phonetically and conceptually similar and that it would likely cause confusion in the relevant market if FIPROLINE is used to sell products that do not contain fipronil.

The Court of Appeal agreed with the High Court Judge in rejecting the Assistant Commissioner's finding that all of the purchasing public could be considered discerning and cautious. However, the Court of Appeal nonetheless preferred the Assistant Commissioner's view that FRONTLINE and FIPROLINE are dissimilar and unlikely to be confused. The former has an identifiable meaning and contains two syllables, whereas the latter is an invented word containing three syllables, and the common suffix merely invokes the neutral idea of a range of products.

The Court of Appeal agreed with the Judge's finding that FIPROLINE and fipronil are visually, phonetically and conceptually similar and that it would likely cause confusion in the relevant market if FIPROLINE is used to sell products that do not contain fipronil. Consequently, the Judge allowed FIPROLINE to proceed to registration with a suitably restricted goods specification.

2014 NZHC 3366 Cure Kids v National SIDS Council of Australia Ltd

In *Cure Kids v National SIDS Council of Australia Ltd* the High Court partially overturned an Assistant Commissioner's decision which had revoked all 5 of Cure Kids initial trade mark registrations relating to Red Nose Day.

Cure Kids used and achieved registration for the 5 marks during the 1990's. However, use ceased in 1997 after a prominent scientist discredited Cure Kids research approach to Sudden Infant Death Syndrome.

SIDS started running Red Nose Days in Australia about a year before Cure Kids started doing so in New Zealand, and have continued to do so. Upon learning in 2010 that Cure Kids was making plans to reestablish Red Nose Day in New Zealand, SIDS filed a trade mark application for RED NOSE DAY in various classes and applied to revoke Cure Kids 5 registrations for non-use.

An Assistant Commissioner's decision revoked all 5 marks for non-use. Although acknowledging that the discrediting of the campaign by a prominent scientist met the 'special circumstances' threshold, the Assistant Commissioner held that it still did not prevent use of the marks. The Assistant Commissioner also held that there were no exceptional circumstances to justify exercising the discretion not to revoke the trade marks.



The High Court Judge held that Cure Kids made genuine use of RED NOSE DAY during its preparatory steps to reestablish Red Nose Day. The Judge held that in principle this could count as genuine use of Cure Kids earlier registration for the word mark THE RED NOSE DAY. However, as the use made during the preparatory steps did not match the services for which the mark was registered it could not count as genuine use of that mark. Two of their other registrations contained RED NOSE DAY in a device mark. The Judge held that the subsequent use of RED NOSE DAY could not constitute use of the device marks, since the differences substantially affect the identity of the registered marks. The other two registrations were for NOSE DAY and NOSE. The Judge held that these marks were also significantly different from RED NOSE DAY and could not be considered as part of a series with THE RED NOSE DAY.

The Judge agreed with the Assistant Commissioner that the special circumstances that existed did not prevent use of the registered marks. However, the Judge held that the Trade Marks Act provides discretion when determining whether to revoke for non-use. The Judge held that this discretion should be exercised in the case of the registration for THE RED NOSE DAY mainly on account of the residual reputation that exists for that mark. The Judge also held that exercising that discretion would not lead to members of the public being deceived or confused, principally because SIDS did not have sufficient reputation in New Zealand.

B3. OFFICIAL PRACTICE

3. Please provide details of any changes in official patent and trade mark office practice which would be of general interest to other members. [None](#)
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B4. PROPOSALS FOR CHANGES

4. Please provide details of any proposed changes in IP laws or practice and indicate if your National Association/Section is involved in providing comments to such changes.
Would it be of assistance to have input from the CET on any proposed changes? [None](#)
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SECTION C: OTHER INFORMATION

Please provide details of any other information pertaining to your country or region that would be of general interest to FICPI members and other IP practitioners browsing FICPI's website.

C1. QUALIFICATION AND THE RIGHT TO REPRESENT CLIENTS BEFORE A COURT

- 1.1 Please describe the qualification process for becoming a patent attorney in your country/region.
[Minimum 3 years practise \(within a firm for the NZ Patent Office\) supervised by a Patent Attorney and completion of 6 examination papers on domestic and foreign IP law.](#)
- 1.2 Has the patent attorney qualification process changed in any way in the past 5 years?
[Yes – moving to a University Qualification in IP.](#)
- 1.3 Does qualification as a patent attorney permit you any right of representation before any Court in your country? [No.](#)
- 1.4 If so are there any special requirements or restrictions? [N/A](#)
- 1.5 Are qualified lawyers in your country permitted to work in the patent field without any further qualification? [They can appear in court or handle trade mark matters.](#)
If so are there any restrictions on what they may do? [Yes](#)
If so, please describe those restrictions. [They are not permitted to draft patent specifications.](#)
- 1.6 Please describe what privilege attaches to patent attorney communications including any restrictions. [Full legal privilege including communications between NZ client/attorney](#)



and a patent attorney in another jurisdiction.

- 1.7 Please describe the qualification process for becoming a trade mark attorney in your country/region.
 Anyone can practise as a trade mark attorney without qualification. In practice lawyers and registered patent attorneys practice as trade mark attorneys.
- 1.8 Has the trade mark attorney qualification process changed in any way in the past 5 years? No.
- 1.9 Does qualification as a trade mark attorney permit you any right of representation before any Court in your country? No.
 If so are there any special requirements or restrictions? N/A
- 1.10 Are qualified lawyers in your country permitted to work in the trade mark field without any further qualification? Yes
 If so are there any restrictions on what they may do? No
 If so, please describe those restrictions.
- 1.11 Please describe what privilege attaches to trade mark attorney client communications including any restrictions.
 None (except that in practice the person is usually a lawyer or registered patent attorney)

C.2 CET AND PEC SPEAKERS

- 2.1 Would your National Section/Association be interested in obtaining assistance from FICPI, through either the CET Work and Study Group or the Professional Excellence Commission (PEC), in providing speakers for seminars organized by your national group in your country?
 Not at present.
- 2.2 If your group does, or in the future might, require such assistance, please identify topics that might be of interest to your members, with a view to raising FICPI's profile and providing added value from membership of FICPI in your country.

C.3 TOPICS OF INTEREST

- 3.1 Please list three IP topics that are of particular interest to you and/or your national section members.

Invalidity by Prior user v Prior user rights

Public policy and the exclusion of areas of technology from patent system

Infringement of Swiss Style Claims

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