

New Zealand Trade Mark Law — the same as Australia?

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Many Australian IP lawyers and trade mark attorneys also practice directly in New Zealand — especially in relation to filing and prosecuting trade mark applications there. It does not take long before Australian practitioners realise that, although NZ trade mark law is similar to Australia, there are numerous subtle differences which can catch out the unwary.

A recent NZ case helps to highlight some significant practical differences between Australian and NZ trade mark law when assessing the similarity of trade marks.

For Australian practitioners, the judgment delivered by Baragwanath J of the Court of Appeal of NZ in *Intellectual Reserve Inc v Robert Sintes CA 31/2008* [2009] NZCA 305 provides a helpful reference to a range of NZ and UK decisions which are influential in NZ on the fundamental aspects of trade mark law.



The Sintes mark

This case concerns the registrability of the stylised mark FAMILYSEARCH (stylised, application No 733237 — shown above). Intellectual Reserve's initial opposition to registration of the trade mark was unsuccessful, as was its appeal to the High Court of New Zealand. Intellectual Reserve's final appeal to the Court of Appeal was also unsuccessful. The case essentially rested on its facts. However, the Court of Appeal provided a thorough consideration of a number of issues relevant to any Australian lawyers seeking to practice trade mark law in NZ, including:

- the specific test for distinctiveness in NZ;
- the distinctiveness of a trade mark that consists of non-distinctive elements;
- the basic test for comparing marks under s 25 of the NZ Trade Marks Act 2002;¹
- consideration of situations in which the "shared" element between marks is itself non-distinctive.

Background

On 27 July 2005, Mr Sintes applied to register the stylised trade mark FAMILYSEARCH (shown above) in class 45 for personal services rendered by others to meet

the needs of individuals; namely, missing family research and tracing services, investigation and research on behalf of others of births, deaths and marriage records for the purpose of locating missing family including birth parents, adopted children and family; all the aforementioned services for the purposes of reuniting living family.²

Intellectual Reserve Inc opposed registration of that mark. Its opposition was based on its prior registrations for the word mark FAMILYSEARCH, which it had registered for a range of goods in class 16 and services in class 41 for "training, educational and cultural activities relating to genealogical research", and its three registrations for the stylised FAMILYSEARCH logo (shown below) in relation to its goods in classes 9 and 16 and services in class 42,³ relating broadly to genealogical services. These registrations for the stylised mark disclaimed right to exclusive use separately of the words "Family" and "Search". Intellectual Reserve's opposition challenged the distinctiveness of the trade mark⁴ and alleged that Mr Sintes' use of the trade mark would be likely to deceive or cause confusion⁵ due to Intellectual Reserve's prior use and registration of its FAMILYSEARCH word mark and logo.



The Intellectual Reserve mark

IPONZ Assistant Commissioner Walden found on behalf of Mr Sintes on both issues. In particular, the Assistant Commissioner found that Mr Sintes' FAMILYSEARCH logo is not confusingly similar to Intellectual Reserve's FAMILYSEARCH word mark or FAMILYSEARCH logo.

In reaching this conclusion, Assistant Commissioner Walden concluded that a substantial number of persons in the relevant market were not likely to be deceived or

confused if Mr Sintes used his mark in relation to the services for which registration was sought, as the words “FAMILY” and “SEARCH” were so descriptive and as Mr Sintes’ services were unlikely to be confused with the opponent’s genealogical products and services. In finding against the opponent under s 25 of the 2002 Act, Assistant Commissioner Walden concluded that:

the word “FAMILYSEARCH” is an ordinary and descriptive term for both [Intellectual Reserve’s] genealogical products and services and for the applicant’s services and, in my view, is not enough to support a connection in the course of trade by itself.

High Court appeal

Intellectual Reserve appealed to the High Court of New Zealand. Winkelmann J dismissed the appeal in her judgment handed down in December 2007. Winkelmann J held that Mr Sintes’ FAMILYSEARCH logo was similar to the Opponent’s prior FAMILYSEARCH word mark and logo, but that the opponent’s services were not sufficiently close to those for which the applicant sought registration. In reaching the view that none of the goods or services covered by Intellectual Reserve’s prior registrations were similar to Mr Sintes’ services, Winkelmann J appeared to give considerable weight to how the opponent *used* its prior mark rather than considering the full scope of its prior registrations (as required under s 25 of the Trade Marks Act). Winkelmann J did not accord them an ordinary interpretation based on fair and reasonable use of the prior marks in respect of all of the services covered by the prior registrations.

Court of Appeal decision

Intellectual Reserve appealed the High Court’s decision to the Court of Appeal of New Zealand. The case was heard in March 2009. The Court of Appeal dismissed Intellectual Reserve’s appeal in its judgment handed down in July 2009. Essentially, the Court of Appeal agreed with Winkelmann J and Assistant Commissioner Walden that Mr Sintes’ FAMILYSEARCH logo was sufficiently distinctive for registration and would not be deceptive or confused with Intellectual Reserve’s prior FAMILYSEARCH registrations. Baragwanath J’s judgment was supported by Ellen France J and Arnold J.

Baragwanath J’s judgment on behalf of the Court of Appeal does not create any new law in relation to the two matters that the court needed to consider — namely, just what is required for a mark to be “distinctive” or in the assessment of what is required for a mark to be deceived or confused with a prior mark.

Guide for Australian lawyers

For Australian lawyers, this decision reinforces how important it is in NZ for an opponent to establish that *use*

of the opposed mark would be likely to deceive or confuse, if relying on a prior registered mark. In making this assessment, IPONZ and the NZ courts will assess whether the relevant marks are similar to one another in the specific context of the goods or services for which registration is sought. The more distant the relationship between the respective parties’ goods/services the less likely it is that the relevant marks will be found to be “similar”, especially if the marks themselves are somewhat descriptive. Unlike Australia, NZ is less likely to apply a two-stage argument regarding firstly, whether the respective marks are similar to one another and secondly, whether the relevant parties’ goods/services are sufficiently similar. In this case, the logic and reasoning applied by IPONZ and the Court of Appeal was that the respective marks were not so similar as to be likely to deceive or confuse *because* of differences between the respective parties’ services. This is perhaps a different approach to that adopted in Australia,⁶ although the end result may be the same.

The following extracts from Baragwanath J’s judgment provide some helpful guidelines for Australian lawyers on how trade marks will be assessed for distinctiveness and their similarity to other trade marks, in NZ.

What is the test for distinctiveness in New Zealand?

In determining just what test the court should apply in order to assess distinctiveness in NZ, Baragwanath J observed:

[[22]...I am satisfied that the best test of what form of distinctiveness is required remains that of the leading case, *In the matter of applications by W and G du Cros Ltd for the registration of trade marks* (1913) 30 RPC 660 (HL), which has frequently been applied in New Zealand, albeit under former legislation, and in Australia. [In finding that neither of the subject trade marks was distinctive, the reason]...which provides the second part of the test, was held to:

... largely depend upon (2) whether other traders are likely, in the ordinary course of business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods.

...
[35] In summary, for a sign to be distinctive:

- (a) it must not be commonplace. Rather it must be distinctive of the user; in the words of Sir Wilfred Greene MR in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at 162 (CA), such as “comes to be remembered by something in it which strikes the eye and fixes itself in the recollection”. In the homely language of Jacob J in *British Sugar* at 300 the name must tell the public what the product is and attract the public. But while it must be memorable to

the extent that its essence will be recalled by the ordinary customer, it need not be unusual or extraordinary;

- (b) it must not infringe the statute;
- (c) it must not be such as other traders are likely to wish to use for competing goods or services;
- (d) the use of a disclaimer may bear on the acceptability of a mark;
- (e) there should be a realistic construction of the mark and its specification in the relevant market.

What if your mark contains a non-distinctive word?

Baragwanath J cites the judgment of the English High Court in *Easynet Group Plc v Easygroup IP Licensing Ltd* with approval. This English case concerned an opposition to registration of the mark *easy.com*, based essentially on claims that the mark lacked distinctiveness:

[44] In dismissing an appeal to the High Court Mann J stated at [27]:

The authorities show that the true approach is ... one of looking at the mark as a whole in order to see whether the mark as a whole is descriptive within the meaning of the section and, in particular, to see whether the mark as a whole produces something which is more than the mere sum of the parts. In the course of that exercise it is permissible, although probably not obligatory, to consider the descriptive nature of the separate elements, but it is an overall assessment that matters. That assessment is not qualified by such concepts as unusualness. It is a qualitative judgment as to the degree of descriptiveness of the term and the extent to which it goes beyond that which arises out of the conjunction of the two or more elements which make it up, and it does not depend on compliance with any particular adjectives of the nature of usual, unusual, ordinary or extraordinary.

Basic test for comparing marks for s 25 (Australia s 44):

In determining the basic test for comparing whether the mark of a newly filed application is similar to a prior mark, Baragwanath J noted:

[69] The principles stated by this Court in *R Jamieson & Co Ltd v J & J Abel Ltd* [1926] NZLR 565 at 581–586 as now adapted to the present facts remain relevant.

- (a) the onus of proof that use of the mark sought to be registered is not likely to deceive or cause confusion is upon the applicant. It will

not be satisfied if the two sets of goods or services are so near the line as to render it unwise or improper to register;

- (b) the test is whether the two sets of goods or services are so commonly dealt in by the same trader that his customers, knowing his mark in connection with one set and seeing it upon the other, would be likely to suppose that it was used upon them also to indicate that they were his goods; [emphasis added]
- (c) the fact that the two sets of goods or services are in different classes, though to be regarded, is not conclusive on the issue of similarity;

What if the similarity between marks is itself non-distinctive?

Finally, Baragwanath J observed as follows, in relation to marks in which the only similarity is a word which itself is descriptive:

[74] In *Reed Executive plc v Reed Business Information Ltd* [2004] RPC 40 at 792 (CA) it was said that the public is alert to small variations in largely descriptive marks because they expect others to use similar marks and are alert for detail that would distinguish one provider from another. The effect of this tends to neutralise the common feature of the marks (the descriptive words “familysearch”) and to focus on the other (distinctive) elements, although the marks must be taken as a whole.

[75] The care that consumers use when purchasing goods or services covers a spectrum. In relation to the services at issue here, consumers are likely to exercise care, so that the possibility of confusion is reduced.

Comments

For Australian practitioners, the judgment provides a useful and thorough analysis of the concepts of distinctiveness and the assessment process to determine the similarity of trade marks. It demonstrates the extent to which NZ has developed an independent body of case law on which it can rely and, to a lesser extent, the degree to which NZ refers to and applies UK cases. Of the approximately 30 cases to which the Court of Appeal referred, only three were from Australia, while the Court referred to 13 UK decisions and 11 NZ decisions. Australian practitioners who are looking to practice trade mark law in NZ should bear this in mind, rather than making false assumption that NZ trade mark law is identical to that practiced in Australia.

IN PRACTICE

New Zealand has a well-established and extensive body of independent, domestic trade mark law. Australian practitioners seeking to practice trade mark law in NZ should research this existing body of case law, rather than assuming that IPONZ or a NZ court will simply apply Australian trade mark law.

New Zealand trade mark law tends to follow UK trade mark law more closely than that of Australia.

When assessing whether one mark is similar to another in NZ, IPONZ and the NZ courts will always assess the marks in the context of the relevant goods or services. The test in NZ is *not* whether the relevant marks are similar, but whether they are so similar as to be likely to deceive or confuse when the marks are in use. This contextual assessment is an important point of distinction with Australian trade mark law.

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Footnotes

1. Equivalent to s 44 of the Australian Trade Marks Act 1995.
2. Application No 733237.
3. Registration Nos 218289, 255237 and 218290.
4. Section 18.
5. Contrary to s 17(1)(a) and ss 25(1)(b) and (c) of the New Zealand Trade Marks Act 2002.
6. *Shanahan's Australian Law of Trade Marks and Passing Off* 4th edition, Lawbook Co, p 295.