

New Zealand

Contributing firm

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1. Legal framework

National

The Trademarks Act 2002 defines and controls the New Zealand system for the registration of trademarks.

The laws and regulations governing trademarks in New Zealand are set out in:

- the Trademarks Act 2002;
- the Trademarks Amendment Act 2003;
- the Trademarks Amendment Act 2005;
- the Trademarks Regulations 2003;
- the Trademarks Amendment Regulations 2006;
- notes of the Intellectual Property Office of New Zealand (IPONZ);
- decisions of the commissioner of trademarks; and
- decisions of the New Zealand courts.

The Trademarks Act 2002 is based on the Singapore Trademarks Act 1998, which in turn is based on the UK Trademarks Act 1994.

There are also a number of pieces of legislation that make reference to and govern specific aspects of the use of trademarks, including:

- the Geographical Indications (Wine and Spirits) Registration Act 2006;
- the Major Events Management Act 2007; and
- the Fair Trading Act 1986.

International

New Zealand is a signatory to the following international treaties:

- the Paris Convention for the Protection of Industrial Property (1883);
- the Nice Agreement on the International Classification of Goods and Services for the Purposes of Trademark Registration; and
- the Vienna Agreement on the International Classification of the Figurative Elements of Marks.

2. Unregistered marks

Protection

Although the Trademarks Act 2002 prohibits the owner of an unregistered mark from bringing proceedings for infringement, the owner still has rights under the tort of passing off or the Fair Trading Act 1986.

‘Passing off’ is an action brought to protect against unfair competition between traders. In particular, it is concerned with misrepresentations made by one trader which damage the goodwill of another.

For a plaintiff to succeed in a passing-off action, it must prove to the satisfaction of the court that:

- it has goodwill and reputation in its trademark in relation to its goods and/or services;
- the defendant’s actions misrepresent the origin of the defendant’s goods and/or services to customers or potential customers; and
- the plaintiff has suffered loss as a consequence of the defendant’s actions.

The Fair Trading Act 1986 provides for statutory regulation of misleading and deceptive conduct and false or misleading representations, with the general aim of achieving fair competition in trade.

In practice, it is generally easier to establish a cause of action under the Fair Trading Act than under the tort of passing off. Under the act a plaintiff need show only that members of the public are likely to be misled or deceived by the action of the defendant. The plaintiff does not have to prove damage or the likelihood of damage to the plaintiff’s business.

Use requirements

Unless the plaintiff can establish that its name, mark or get-up is distinctive, there will be nothing to attach that name, mark or get-up to the plaintiff’s goodwill, and the plaintiff will

have no action against the defendant for damage to that goodwill.

Whether or not the plaintiff's name, mark or get-up is distinctive is a question of fact and degree. The amount of use required to establish rights in relation to an unregistered trademark varies depending on the circumstances.

3. Registered marks

Ownership

Under the Trademarks Act 2002 a person claiming to be the owner of a trademark may apply for the registration of the mark in the prescribed manner and on payment of the prescribed fee.

The applicant must have legal status and be capable of holding personal property – this includes individuals, companies, corporate bodies and government departments. Where an application is made in the name of a partnership, it must contain the names of all the partners.

An application cannot be made in the name of any trust unless the trust is incorporated. Where the trust is unincorporated, the application may be made in the individual names of the trustees as it is the trustees who legally own the property.

An application may be made by two or more persons as joint applicants. Finally, in all cases the applicant must have an address for service in New Zealand.

Scope of protection

The Trademarks Act 2002 defines a 'trademark' as a sign that is capable of being represented graphically and that is capable of distinguishing the goods or services of one trader from those of another.

A 'sign' is defined as including a brand, colour, device, heading, label, letter, name, numeral,

signature, shape, smell, sound, taste, ticket, word or any combination of signs.

4. Procedures

Examination

IPONZ examines each trademark application to determine whether it complies with the requirements of the Trademarks Act 2002. Examination of the application takes place approximately two weeks after the application is filed.

The applicant has 12 months in which to overcome any objections and place the application in order for acceptance. This deadline may be extended on request.

In addition to formality issues, an application may be refused if the trademark or use of the trademark:

- has no distinctive character;
- is directly descriptive of the goods or services;
- is likely to deceive or cause confusion;
- is contrary to New Zealand law or would otherwise be disentitled to protection in any court;
- is likely to offend a significant section of the community;
- was registered in bad faith;
- is a geographical indication; or
- is a commonly used chemical name.

In addition, an application may be refused if there is a trademark belonging to a different owner, with earlier priority, which is:

- an identical or similar mark for the same or similar goods or services;
- an identical or similar mark that is well known in New Zealand in respect of the same or similar goods; or
- an identical or similar mark that is well known in New Zealand in respect of any

goods or services, if use would be taken as indicating a trade connection.

If and when any objections raised are overcome, a notice of acceptance will issue and details of the application will be advertised for opposition purposes.

Opposition

Anyone may oppose the registration of a trademark by filing a notice of opposition at IPONZ. The opposition period is three months from the advertisement of the application.

The notice of opposition must include a statement of grounds on which the opponent objects to registration of the trademark. The usual grounds are that:

- the mark sought to be registered is confusingly similar to another trademark which is either registered or in use by another party;
- the mark is descriptive or incapable of distinguishing the applicant's goods or services from those of others;
- the mark is deceptive; and/or
- the mark has been misappropriated from another party.

A counterstatement must be filed within two months of the applicant receiving the notice of opposition. The counterstatement should set out which facts in the notice of opposition, if any, the applicant admits. If no counterstatement is filed, the applicant is deemed to have abandoned the application unless the commissioner otherwise directs.

The opponent must file evidence in support of the opposition within two months of receiving the counterstatement. If the opponent fails to file evidence, or notice of its intention not to file evidence, before the deadline, the opposition will automatically be deemed abandoned.

The applicant may file evidence in support of its trademark application within two months of receiving the opponent's evidence (if any).

If the applicant files evidence in support of the application, the opponent may file evidence in reply within one month of receiving the applicant's evidence. This evidence must be strictly in reply to matters raised in the applicant's evidence.

On completion of the evidence, IPONZ will schedule the matter for a hearing. Submissions may be given in writing or presented orally by counsel (or both).

All deadlines during the opposition period are extendible. An application for an extension of time must be made in writing setting out any grounds that justify the extension sought.

If the commissioner thinks it appropriate, or upon application of a party to the proceedings, the commissioner may halt the proceedings, usually where meaningful settlement negotiations are underway between the parties. However, the proceedings cannot be halted for more than six months at a time.

Registration

Once an accepted application is more than six months old and the opposition period has expired, IPONZ will issue the certificate of registration.

The initial term of a New Zealand trademark registration is 10 years from its filing date or priority date, whichever is the earlier. A registration may be renewed for further periods of 10 years upon payment of renewal fees.

If a trademark registration is not renewed at expiry, it will cease to have effect after the date of expiry. IPONZ will advise the owner of the registration that it has expired and the mark will be removed from the register.

Once a trademark has been removed from the register for non-payment of the renewal fee, the owner of the mark may apply to restore the mark within 12 months of the expiry of the mark. This period cannot be extended.

Under the Trademarks Act 2002 the status of a lapsed registration is upheld for one year from the date of removal. During this period, a lapsed registration will be considered to be a registered trademark for the purposes of trademark examination.

Removal from register

Revocation: A trademark registration may be removed from the register or its scope reduced by a successful application for revocation of the trademark.

Broadly, the grounds on which a trademark may be revoked are as follows:

- The trademark was not put to genuine use in the course of trade in New Zealand, by any owner for the time being, in relation to the goods or services in respect of which it was registered during the relevant period;
- The use of the trademark was suspended for an uninterrupted period of three years or more;
- Due to the activity or inactivity of the owner, the trademark has become a common name in general public use for a product or service in respect of which it is registered (ie, generic);
- A product was formerly manufactured under a patent or a service was formerly a patented process and two more years have elapsed since the expiry of the patent, and the trademark is the only practical name or description for the product or service; and
- Due to the manner in which the trademark is used, the mark is likely to deceive or confuse the public, for example as to the nature, quality or geographic origin of the goods or services.

A person has standing to file an application to revoke a registered trademark if that person is “aggrieved”. An aggrieved person includes:

- an alleged infringer of a mark;
- a person who is in the same trade as the owner of the registered mark; or
- a person with a substantial or real interest in the removal of the registered mark.

In revocation proceedings, the onus to prove that a registered trademark should be revoked rests on different parties, depending on which of the above grounds is relied upon. If the application is based on non-use, the initial onus is on the trademark owner to prove that the registered trademark should not be revoked. In all other cases the onus is on the person applying to revoke the registration to prove that the relevant grounds exist.

Within two months of receiving an application to revoke the registered trademark, the owner or licensee may oppose the application by filing a counterstatement. If the owner or licensee fails to file a counterstatement within the relevant period, the commissioner must determine the application on the documents filed by the applicant for revocation.

If a counterstatement is filed, the applicant must file evidence in support of the revocation application or notify the commissioner that it does not intend to file evidence or withdraw the application within two months of receiving a copy of the counterstatement.

Within two months of receiving the applicant’s evidence in support, the trademark owner or licensee may file evidence in support of registration or notify the commissioner that it does not intend to file evidence. If evidence is filed, the applicant for revocation will be given one month to file evidence strictly in reply.

Where the application to revoke the registered trademark is based on non-use, the owner or

licensee must include evidence of use of the trademark or of special circumstances restraining the use of the mark in the counterstatement.

Invalidity: An aggrieved person may apply to IPONZ or the High Court for a declaration that the registration of a trademark is invalid, to the extent that the mark was not registrable at the date of application.

Grounds for invalidity include that:

- the trademark is not a sign or a trademark;
- the applicant is not entitled to claim to be the owner of the mark;
- the mark is not registrable in terms of the act or is prohibited from registration by the act; and/or
- use of the mark is contrary to law or has otherwise been disentitled to protection in any court.

The trademark owner may oppose the application by filing a written counterstatement within two months of receiving the application for a declaration of invalidity. If the owner fails to file a counterstatement within the relevant period, the commissioner must determine the application on the documents filed by the applicant.

If a counterstatement has been filed, the applicant must:

- file evidence in support of the revocation application;
- notify the commissioner that it does not intend to file evidence; or
- withdraw its application within two months of receiving a copy of the counterstatement.

Within two months of receiving the applicant's evidence in support, the trademark owner may file evidence in support of registration or notify the commissioner that it does not intend to file evidence. If evidence is filed, the applicant for a declaration of invalidity will be given one month to file evidence strictly in reply.

Cancellation: A trademark registration may be cancelled voluntarily by the owner in relation to all or any of the goods or services in respect of which it is registered.

Searches

The register is recorded electronically in the IPONZ database. It can be searched through the IPONZ website (www.iponz.govt.nz) or manually at the IPONZ Document and Information Services Centre. A search can be conducted in respect of any of the fields of information that are recorded on the register.

The following searches are available:

- identical trademark search;
- similar trademark search;
- search per class;
- search of all classes;
- search of trade names and slogans;
- search of traditional graphic marks; and
- search of non-traditional graphic marks.

5. Enforcement

Legal action for infringement can be taken only once the certificate of registration has been issued.

Infringement occurs where there is unauthorized use of:

- a sign identical to the registered mark in relation to any goods or services in respect of which the trademark is registered;
- a sign identical to the registered mark in relation to any goods or services that are similar to any goods or services covered by the registration, if such use would be likely to deceive or cause confusion;
- a sign that is similar to the registered mark in relation to any goods or services that are identical or similar to any goods or services covered by the registration, if such use would be likely to deceive or cause confusion; or

- a sign identical or similar to the registered mark in relation to any goods or services that are not similar to the goods or services in respect of which the trademark is registered where the trademark is well known in New Zealand and use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or repute of the mark.

In addition, the use of the sign must be likely to be taken as being use in a trademark sense.

The usual relief available to a trademark owner in an infringement action includes:

- an interim or permanent injunction;
- an inquiry as to damages suffered by the owner or an account of profits earned by the infringer; and
- an order requiring erasure, removal or obliteration of the offending sign, or delivery up of infringing articles where the offending sign cannot be removed.

Damages for trademark infringement run from the date of filing the application, so although legal proceedings cannot be instigated until a mark has been registered, damages may be recovered for the period during which the application was pending.

Under the Trademarks Act 2002 the owner of a registered trademark may apply to the High Court for relief if the trademark is infringed. Infringement proceedings are heard and decided by a sole judge.

Cost awards in legal proceedings are entirely at the court's discretion, but they will usually be awarded in favour of the successful party.

The following is a basic timetable for litigation before the High Court:

- The statement of claim and notice of proceeding are filed with the High Court and served on the defendant;

- The defendant has 30 days from service of the proceedings to file a statement of defence; and
- Case management conferences, discovery and inspection take place.

Once all interlocutory matters have been dealt with, the matter will be ready for trial.

Depending on the circumstances, the trial may take place 12 to 18 months after proceedings have been commenced.

6. Ownership changes – legalization requirements

A trademark application or registration may be assigned by the owner of the trademark to anyone entitled to own a trademark registration. A trademark may be assigned with or without the goodwill of the business associated with the trademark.

The assignment application must be completed in the correct form and accompanied by a copy of the transfer document, such as a deed of assignment and, if appropriate, an English translation.

The deed of assignment must be executed in a manner appropriate to bind the assignor. No legalization or certification is required.

There are no penalties for not recording an assignment and no time limits as to when an application to record an assignment must be made.

7. Areas of overlap with related rights

The most common areas of overlap, other than the various laws discussed above, are copyright and design law. Copyright protection may be available for trademarks which are represented in a logo, device or stylized format.

In addition, where the trademark in question is the shape of the goods themselves, provided that the design has not been disclosed it may also be possible to obtain registered design protection for the shape.

8. Online issues

Domain names

Registration of a domain name without use does not (technically) constitute trademark infringement. Using a domain name for a website that does not offer or promote goods or services is unlikely to be considered use of a sign “in a trademark sense”.

Where the domain name is the same as or similar to a registered mark, and is associated with a site that promotes or sell goods or services that are the same as or similar to those in relation to which the trademark is registered, use of the domain name is likely to infringe the registered mark as the domain name is being used “in a trademark sense”.

Metatags

IP rights in trademarks and business names can be infringed where they are incorporated into metatags without the proprietor’s consent. This conduct can be characterized as passing off, a breach of the Fair Trading Act 1986 and, if a registered trademark is used as a metatag, trademark infringement.

Disputes relating to ‘.co.nz’ domain names

The Internet Corporation for Assigned Names and Numbers Uniform Dispute Resolution Policy is not available for ‘.nz’ country code top-level domains.

On June 1 2006 the Office of the New Zealand Domain Name Commissioner issued its Dispute

Resolution Service Policy (DRSP). All ‘.nz’ registrants agree to be bound by the DRSP when they register or renew a ‘.nz’ domain name.

The DRSP applies to a respondent when a complainant asserts to the commissioner that:

- the complainant has rights in respect of a name or mark which is identical or similar to the domain name; and
- in the hands of the respondent, the domain name is an unfair registration.

The DRSP defines ‘rights’ as including, but not limited to, rights enforceable under New Zealand law. These rights can include:

- New Zealand registered trademarks;
- foreign registered trademarks;
- unregistered trademarks;
- names of celebrities or sporting personalities; and
- certain geographical names.

A complainant will be unable to rely on rights in a name or term which is wholly descriptive of the complainant’s business.

The DRSP defines ‘unfair registration’ as where a domain name:

- was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the complainant’s rights; or
- has been, or is likely to be, used in a manner which took unfair advantage of or was unfairly detrimental to the complainant’s rights.

Unlike the Uniform Dispute Resolution Policy, there is no requirement that the complainant show that the domain name was registered in bad faith.