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Dear Colleagues

AJ PARK SUBMISSIONS ON IP LAWS AMENDMENT BILL Trade Marks Section

Thank you for the opportunity to provide submissions on the Proposed Intellectual Property Laws Amendment Bill.

About AJ Park

- 1.1 AJ Park is a leading provider of intellectual property law services in New Zealand. These submissions focus comments on the trade marks section of the Intellectual Property Laws Amendment Bill.

Series of trade marks

- 2.1 AJ Park does not agree with MBIE's proposal to remove the ability to register a series of trade marks (Question T2). Of the options identified in the paper, AJ Park's preferred is Option 1.
- 2.2 In our experience, the ability to apply for a series of trade marks is a useful tool, especially where an applicant:
 - may use variations in the spelling or appearance of a trade mark
 - is not settled on the variation of the trade mark it will continuously use
 - wants to put on record its interest in particular colour variations in a logo
 - has a particular interest in a colour for its logo but also wants the option of filing a black and white version for a Madrid Protocol application to avoid additional cost or possible issues.
- 2.3 In terms of the problems identified in the discussion paper:
 - The paper does not identify the number of incorrect series applications that contain other deficient information. It is therefore not possible to assess whether removing the series option would substantially reduce the number of objections raised.
 - Self-filed applications are undoubtedly responsible for a disproportionate number of issues that arise in relation to nationally filed applications, issues with series applications will be one of those issues. This is an issue that can be addressed through information available to the applicant at

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filing and the manner in which that information is available to the applicant at filing – this does not require a legislative response.

- The paper identifies series applications being filed for strategic purposes and relies on anecdotal evidence in support. In our experience, this is not a common practice, and the number of occurrences would be statistically irrelevant and so not a good basis upon which to support a law change.
- In our experience, IPONZ will at times raise objections against series applications unnecessarily. In examining series applications, IPONZ applies a standard similar to IP Australia in what constitutes a valid 'series'. But Australia's trade marks legislation is much stricter on this point. Attorneys will often not argue against the series objection, not because they agree with the objection raised, but because this is not an issue that the client wants to invest resources on.

Prior continuous use to overcome a conflicting registration

- 3.1 AJ Park supports the amendment of the Trade Marks Act to expressly provide for the Commissioner of Trade Marks to consider the circumstances of prior continuous use as a ground to overcome the citation of a trade mark registration with an earlier priority date (Question T3).
- 3.2 The issue that we see, and as is highlighted in the discussion paper, is that some applicants will have made significant use of their trade mark, but IPONZ will not accept the trade mark for registration because IPONZ is not satisfied honest concurrent use applies. This is usually because, in IPONZ's view, the newer trade mark has not existed or been registered for a sufficient period of time.
- 3.3 The options for the applicant to achieve registration in this situation are limited. It could consider applying to invalidate the other trade mark on the basis of its prior rights, or it could seek a letter of consent from the owner of the other trade mark. However, invalidation takes time and cost, it can be seen as an aggressive act, and the outcome may be more than what the applicant desires or needs. Also, the applicant may simply prefer not to engage with the owner of the other trade mark to try to negotiate a letter of consent or a coexistence agreement.
- 3.4 Another option is for the applicant to continue to use its trade mark and rely on the defence under section 96 of the Trade Marks Act. However, the applicant will then forego the benefits of trade mark registration. Denying registration to the applicant in this situation will not protect consumers from the two trade marks existing in the marketplace.
- 3.5 In terms of 'special circumstances' in section 26 of the Trade Marks Act, our view is that 'special circumstances' could be interpreted to apply to prior continuous use, as per *Holt & Co (Leeds Appn)* [1957] RPC 289 at 294. However, we can also see the benefit of the Act being amended to explicitly allow prior continuous use, and we broadly support the suggestion of taking an approach along the lines of section 44(4) of the Australian Trade Marks Act 1995. We think that there would be benefit in notifying the other party where IPONZ is proposing to accept a trade mark for registration on the basis of prior continuous use, so it has the opportunity to challenge the basis for the claim (e.g. its use might predate its application date).

Require that specifications be clear

- 4.1 AJ Park supports MBIE's proposal to amend the Trade Marks Act to require that specifications of goods or services be clear (Question T4).
- 4.2 This will help avoid inconsistencies in practice between national applications and those filed through the Madrid Protocol, and the potentially negative consequences for trade mark owners with unclear specifications.

Mandating use of goods and services pick list for Search and Preliminary Advice applications

- 5.1 AJ Park does not have a strong view on whether IPONZ should require the picklist be used for S&PA applications but can see the merits for making the service accurate and cost effective to operate (Question T5).

Clarifying the scope of acceptable memoranda

- 6.1 AJ Park notes and agrees with NZIPA's submission on this point (Question T6). IPONZ could have the additional legislated power to refuse to enter a memorandum against a trade mark if IPONZ considers the entry of the memorandum is likely to mislead or deceive the public.
- 6.2 AJ Park agrees with the NZIPA submissions on this point (Question T7).

False claim of ownership as a ground in invalidity proceedings

- 7.1 AJ Park agrees with the proposal that the Trade Marks Act should be amended to make it explicit that a registration can be declared invalid if the registered owner is not the true owner of the trade mark (Question T8).
- 7.2 This would make the grounds of invalidation more consistent with the grounds of opposition.
- 7.3 However, we think allowance should be made for genuine errors in an ownership claim to be corrected. For example, there are instances where applications are mistakenly filed in the name of the sole Director of a company rather than the company itself. If the error is genuine, we would want to avoid a situation where the registration is vulnerable to cancellation many years later because of technicality at filing.

Confirm that section 17(1)(b) covers activity other than the Trade Marks Act

- 8.1 AJ Park agrees that the Trade Marks Act should be amended to clarify that s17(1)(b) only applies to activities that are contrary to New Zealand laws other than the Trade Marks Act (Question T9). The Act should reflect the policy intent.

Remove requirement that only an 'aggrieved person' can apply to revoke or invalidate a registration

- 9.1 AJ Park supports the proposal that the Trade Marks act should be amended to remove the requirement that only an 'aggrieved person' can apply to invalidate a registration (Question T9).
- 9.2 AJ Park is of the view that the requirement only an 'aggrieved person' can apply to revoke a registration should be retained (Question T9). Establishing

an applicant is vexatious is likely to be difficult in practice. Retaining the 'aggrieved person' threshold should deter this provision being misused.

Partial refusal for national trade mark applications

- 10.1 AJ Park supports the proposal that the Trade Marks Act be amended to provide for the same approach to partial refusals for both national and international applications (Question T11).
- 10.2 There is an inconsistency in practice that disadvantages owners of national applications because they will need to spend more resource in responding to certain objections. The proposal would remove this.

Undefended non-use revocation proceedings

- 11.1 AJ Park does not consider the current IPONZ practice in relation to undefended non-use applications is causing problems (Question T12).
- 11.2 We support the current requirement for the owner to take steps to defend its trade mark by filing a counterstatement and prima facie evidence of use. Evidence should not be required from the applicant other than where it is seeking a revocation or cessation of rights from a date earlier than the date of application.
- 11.3 We also support the requirement that IPONZ issue a decision, although this could be reduced to apply only in circumstances where an applicant is seeking to establish that the grounds of revocation existed at an earlier date than the date of application for revocation.

Yours faithfully



Kieran O'Connell
Principal

