

Submission template

EU-NZ Free Trade Agreement: Reform of Geographical Indications Law in New Zealand – Discussion Paper

Your name and organisation

Name	Privacy of natural persons
Organisation (if applicable)	Consortium for the Common Food Names (CCFN)
Contact details	Privacy of natural persons [Redacted]

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Name	
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CCFN is an independent international alliance, that represents the interests of consumers, farmers, food producers and retailers, to preserve the ability to use common names for food, preventing barriers to trade. Our membership includes producers in New Zealand who will be impacted by the implementation of the New Zealand-European Union Free Trade Agreement (NZ-EU FTA), particularly by the provisions restricting the use of terms which have become generic to describe a product but have been recognized as European GIs under the NZ-EU FTA.

Responses to questions

	Section	Question
1	<i>Registration of geographical indications</i>	Are there products other than wines and spirits being produced in New Zealand that are labelled with a name that indicates the products have a characteristic that is essentially attributable to its geographical origin? Are any of these products being exported and, if so, to where, and what export revenues do these products generate for New Zealand producers?
		CCFN has no knowledge of other products that could comply with the requirements to constitute a geographical indication in New Zealand.
2	<i>Registration of geographical indications</i>	Is the inability to register these names under the GIs Act causing any problems and, if so, what?
		CCFN is not aware of any problems arising from the inability to register New Zealand products as GIs. Producers have been able to achieve protection in New Zealand and abroad with other intellectual property figures, such as certification trademarks. As CCFN has consistently stated, the protection for GIs beyond the multilaterally agreed rules under the Agreement on Trade-Related Aspects of Intellectual Property Rights seems to be an exclusive objective pursued by the European Union, on behalf of its producers.
3	<i>Registration of geographical indications</i>	What would be the advantages (or disadvantages) of extending the current registration regime to include GIs for food and beverages other than wine and spirits?
		<p>Broadening the current scope of registration under the GIs Act is not a preferred option for non-EU stakeholders. However, the negative impact that it may have would be reduced if the relevant commitments for GI recognition agreed under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), are respected for future names for which the EU might seek protection under the NZ-EU FTA.</p> <p>If a decision is taken to extend current GI regime of wines and spirits to other products, the GIs Act should comply with articles 18.31 (Administrative Procedures for the Protection or Recognition of Geographical Indications), 18.32 (Grounds of Opposition and Cancellation), 18.33 (Guidelines for Determining Whether a Term is the Term Customary in the Common Language), and 18.34 (Multi-Component Terms), of the CPTPP. If the extension of the registration regime is consistent with those provisions, it will provide certainty in relation to future requests for recognition of names as GIs under the NZ-EU FTA, and appropriate opportunities for stakeholders' interests to be protected.</p> <p>Both the current GIs Act and the NZ-EU FTA provide that one of the grounds to object to the request for registration or protection of a GI is that the term seeking protection is a term customary in common language as the common name for the relevant good in the party. Therefore, whether a decision is taken to extend the GI registration regime or not, a reform to the GIs Act should include the definition of generic or common term, including the guidelines provided under article 18.33 (Guidelines for Determining Whether a Term is the Term Customary in the Common Language) of the CPTPP.</p> <p>Any reform to the GIs Act, whether extending the registration scope or not, should also include provisions ensuring that an individual component of a multi-component term that is registered as a GI in the territory of New Zealand shall not be protected in that territory if that component is a term customary in the common language as the common name for the associated good.</p> <p>Article 18.34(a)(ii) (Protection of Geographical Indications) of the NZ-EU FTA sets the obligation of each Party to provide the legal means for interested parties to prevent in its territory the commercial use of a GI identifying a good for a like good not meeting the applicable product specifications of the GI even if the GI is used in translation or transliteration. This provision includes a footnote stating that, for greater certainty,</p>

	Section	Question
		the “use in translation” is to be assessed on a “case-by-case basis”, and that the provision shall not apply when evidence is such that there is no link between the GI and the translated term. We consider that including a definition of generic or common term in the GIs Act, and the guidelines for their determination, could contribute to the implementation of article 18.34 in a way that is not detrimental to the legitimate use of common names. In short, where a term that is claimed to be translation of a protected GI is customary in common language as the common name for the relevant good in New Zealand, protection of the GI should not preclude use of the common name.
	<i>Location of enforcement provisions</i>	Do you agree with our preferred option (Option iii) of providing provisions for the enforcement of GIs within the GIs Act? If not, where should these provisions be and why?
4		<p>MBIE’s preferred option would make it easier for anyone to find and understand how registered GIs can be enforced; it would enable enforcement provisions to be more easily tailored for providing effective enforcement of registered GIs, and it would constitute a similar approach to other IP statutes, such as the Copyright Act, the Trade Marks Act, and the Patents Act. Use of other existing protection regimes such as (i) and (ii) also does not appear appropriate given that the rights protected under the Fair Trading Act and the Trade Marks Act are not directly analogous to the protection afforded to GIs, including because:</p> <ul style="list-style-type: none"> a. the Fair Trading Act is effectively a consumer protection instrument and GIs are not trademarks; b. different standards of contravention apply to the Fair Trading Act and the Trade Marks Act, both of which are concerned to various degrees with consumer confusion, rather than GI protection. <p>In accordance with articles 41.1 and 41.2 of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) and articles 18.71.1 and 18.71.3 (General Obligations) of the CPTPP, we recognize New Zealand’s right to ensure that enforcement procedures are available under its law to permit effective action against any act of infringement of GIs rights. However, these procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse, and they shall be fair and equitable.</p> <p>Out of the range of options presented by MBEI, <i>sui generis</i> enforcement methods as preferred by MBIE in (iii) appear to offer the best means of providing appropriately tailored enforcement options to protect stakeholder interests and would lead to more predictable outcomes for interested stakeholders including both rights holders and consumers. This also covers the potential exposure to adverse consequences of parties unknowingly importing goods from countries in which the corresponding GI is not protected, or which comprise terms that are generic in their country of origin, or for goods in New Zealand only incidentally in the course of trade between other countries.</p> <p>Any <i>sui generis regime</i> should limit the availability of measures such as criminal penalties (including fines and imprisonment) and flagrant damages. This is consistent with the current approach for contravention of the GIs Act under section 9 of the Fair Trading Act, which is not subject to the criminal provisions of the Fair Trading Act, and does not incorporate flagrant damages. Moreover, consistent with the current GIs Act, there should be no contravention (and therefore no applicable remedies) in relation to goods that are (a) never in New Zealand; or (b) in New Zealand only for the purpose of transit from one country to another, neither of which is New Zealand, consistent with the current GIs Act. The jurisdictional limits that apply within the existing New Zealand Court system are likely to be of reduced significance in the context of GIs where quantifying an account of profits or damage may be complex and where the most appropriate remedy may be injunctive in nature rather than pecuniary.</p>
5	<i>Civil enforcement</i>	Which option do you prefer for the court(s) to hear and determine the infringement of a registered GI, and why?

	Section	Question
		CCFN considers that the selected court should provide security and predictability to all parties, which is particularly important for foreign actors trading in New Zealand. In this regard, the High Court, who currently enforces other intellectual property law, such as trade marks, should also enforce the GI legislation. In addition to having experience in claims of similar nature, this is also essential to ensure coherence in the application or consideration of relevant criteria and precedents.
6	<i>Civil enforcement</i>	Do you agree with our preferred option (Option iii) to limit persons who may initiate civil action for the enforcement of GIs to “interested persons”? If not, who do you think should be able to take legal action and why?
		We consider that “any person who has an interest in preventing or stopping a GI from being infringed” constitutes a broad category that could lead to an abuse of the civil enforcement actions that will be made available. Therefore, we consider that any provision within the GIs Act should clearly define the meaning of “interested persons”, limiting it to only those bodies who are entitled to oversee the use of a GI. This position is consistent with the approach taken in the New Zealand Trade Marks Act regarding a requirement for standing in commencing infringement proceedings and also consistent with a registered GI as a right owned by a specific entity. Moreover, this would seem appropriate as the policy considerations are different in protecting privately held rights as compared with the policy considerations underlie the Fair Trading Act which aims to regulate consumer confusion (and which does not limit standing to commence proceedings for contravention).
7	<i>Civil enforcement</i>	What would be the advantages (or disadvantages) of providing the same remedies to address an infringement of GI as are provided under the Trade Marks Act for the infringement of a trade mark?
		<p>We should point out that according to article 18.71.5 (General Obligations) of the CPTPP, New Zealand shall consider the need for proportionality between the seriousness of the infringement of the intellectual property right and the applicable remedies and penalties, as well as the interests of third parties. This is also consistent with article 46 (Other Remedies) of the TRIPS Agreement, which states the following (added emphasis):</p> <p><i>“In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. [...] <u>In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. [...]”</u></i></p> <p>MBIE seems to imply that the range of measures that courts may be able to order as remedies for GI infringement are because GIs are “very similar” to trademarks. However, MBIE should consider the differences between these two categories of intellectual property rights, which include the existence of generic or common names (and the EU’s efforts to monopolize those terms). We note that all the names that will be registered as GIs pertain to the food and beverage sector and that not all GIs would be registrable as trademarks. As a result, different tests of infringement or contravention may apply.</p>
8	<i>Civil enforcement</i>	What other remedies (other than those provided under the Trade Marks Act) should be adopted for addressing the infringement of a GI and why?
		None.
9	<i>Border protection measures</i>	Do you agree on basing the border protection measures for GIs on the Trade Marks Act? If not, what other measures should be adopted instead?

	Section	Question
		<p>The CPTPP does not include provisions applicable to GIs (only to suspected counterfeit or confusingly similar trademark or pirated copyright goods), but the TRIPS Agreement sets, under article 51 (Suspension of Release by Customs Authorities), the possibility of enabling persons to lodge applications in writing to competent authorities for the suspension by the customs authorities of the release into free circulation of goods suspected of infringing different intellectual property rights, provided that the several requirements are met.</p> <p>In addition, the GIs Act currently in force provides, under paragraph 27, that the restriction on the use of a registered GI do not apply in respect to a wine or spirit that is (a) never in New Zealand; or (b) in New Zealand only for the purpose of transit from one country to another, neither of which is New Zealand. We consider this provision should be kept even if the reform to the GIs Act does not include an extension of protection to goods other than wines and spirits, to avoid incidental impact on the trading interests of other countries.</p> <p>Border measures such as Customs notices of objection/seizure are not currently available under the GIs Act which prescribes relief under section 9 of the Fair Trading Act. Border protection measures relevantly available under the Fair Trading Act relate to false representations as to origin, which are contingent on misrepresentation rather than simple use of a term that may be registered as a GI in New Zealand. Border protection measures under the Trade Marks Act are for goods which infringe registered trade marks, which again goes beyond simple use of a term that may be registered as a GI in New Zealand. In those circumstances, we submit that Customs notices of objection/seizure powers may not be the most appropriate remedy for contravention of registered GIs.</p>
10	<i>Border protection measures</i>	<p>If the border protection measures based on the Trade Marks Act were to be adopted for GIs, what changes (if any) should be made to those measures and why?</p> <p>Please refer to question 9.</p>
11	<i>Border protection measures</i>	<p>Do you agree with the preferred option of limiting persons who may lodge a notice with Customs to those persons who have an interest in the GI concerned? If not, who should be able to and why?</p> <p>If Customs notices of objection are included in enforcement provisions for contravention of GIs, this should be aligned to those persons allowed to take legal action to enforce a registered GI, therefore limiting it in accordance with our response to question 6.</p>
12	<i>Administrative enforcement</i>	<p>What would be the advantages (or disadvantages) of providing the same investigative powers currently available to the Commerce Commission under the Fair Trading Act to the agency responsible for providing administrative enforcement of GIs? Are there any other investigative powers that should be provided instead?</p> <p>CCFN does not deem necessary to create a new agency to oversee the implementation of GI provisions nor to expand the investigative powers of any existing agency.</p>
13	<i>Administrative enforcement</i>	<p>What remedies should the courts be able to grant arising from administrative enforcement of GIs and why?</p> <p>MBIE seeks feedback about the remedies that courts may be able to order and concludes that the same remedies that are made available for civil enforcement action should be available for the administrative enforcement of GIs. Therefore, we consider that the comments as set out in question 7 are also applicable in this case (regarding the need for proportionality between the seriousness or flagrancy of the</p>

	Section	Question
		infringement of the intellectual property right and the applicable remedies and penalties, as well as the interests -including competing interests- of third parties and stakeholders).
14	<i>Other issues</i> Official GI logo	What would be the advantages (or disadvantages) for the GIs Act to provide for producers to use an official logo on their labels and packaging that verifies the GI has been registered?
		CCFN has no comments for this matter.
15	<i>Other issues</i> Enduring GIs	Are any of the enduring GIs (ie 'New Zealand', 'North Island' and 'South Island') being used by New Zealand spirits producers? If so, who is using them? Please provide examples of use.
		CCFN has no knowledge of other GIs or their producers in New Zealand.
16	<i>Other issues</i> Enduring GIs	If the enduring GIs are not being used for spirits, what would be the advantages (or disadvantages) of repealing their protection under the GIs Act?
		CCFN believes that judicial or administrative proceedings should be available to repeal the protection of any GI which has ceased to meet the conditions upon which the protection or recognition was originally granted, particularly if it has become the term customary in common language as the common name for the relevant good. This is consistent with CPTPP article 18.32 (Grounds of Opposition and Cancellation).
17	<i>Other issues</i> Costs	How might the costs to administer the GIs Act be recovered and from whom?
		CCFN has no comments for this matter.
18	<i>Other issues</i>	Are there any other problems with the current GIs Act or proposed new GIs registration regime? What changes, if any, should be considered?
		<p>GI protection for goods other than wines and spirits represents a substantial change in New Zealand law. In the initial implementation period, there is a possibility of inadvertent contravention of GIs (particularly GIs corresponding in part or full to customary terms in New Zealand or other countries exporting to New Zealand), whether by local New Zealand producers or by traders exporting goods to New Zealand. On at least a transitional basis for a set period following implementation, consideration should be given to a focus on education rather than enforcement for several years after implementation of broader GI protection, including:</p> <ul style="list-style-type: none"> i. engagement with local industry, importers, and consumers; and ii. a notice-based regime, where enforcement measures cannot be taken until due notice has been given to the party allegedly in contravention, allowing an appropriate opportunity to resolve the matter.