

# Submission template

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

This is the submission template for responding to the discussion paper on reforms of geographical indications laws that need to be made before New Zealand can sign and ratify its free trade agreement with the EU. The Ministry of Business, Innovation and Employment (**MBIE**) seeks your comments by **5pm on Tuesday, 28 February 2023**.

Please make your submission as follows:

1. Fill out your details under the “Your name and organisation” heading and, if applicable, check the boxes underneath on privacy and confidentiality.
2. Fill out your responses to the discussion document questions in the table: “Responses to consultation document questions”. Your submission may respond to any or all of the questions. Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples. If you would like to make other comments not covered by the questions, please provide these in the “Other comments” section.
3. Before sending your submission:
  - a. delete this first page of instructions; and
  - b. if your submission contains any confidential information, please:
    - State this in the cover page or in the e-mail accompanying your submission, and set out clearly which parts you consider should be withheld and the grounds under the Official Information Act 1982 (**OIA**) that you believe apply. MBIE will take such objections into account when responding to requests under the OIA.
    - Indicate this on the front of your submission (eg the first page header may state “In Confidence”). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
4. Submit your submission by sending it as a Microsoft Word document to [ip.policy@mbie.govt.nz](mailto:ip.policy@mbie.govt.nz).

Please direct any questions that you have in relation to the submissions process to [ip.policy@mbie.govt.nz](mailto:ip.policy@mbie.govt.nz).

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

## Your name and organisation

|                                     |   |
|-------------------------------------|---|
| <b>Name</b>                         | Amandine Duthilleul<br>Director Intellectual Property & GI Cognac Protection Department |
| <b>Organisation (if applicable)</b> | <b>BUREAU NATIONAL INTERPROFESSIONNEL DU COGNAC</b>                                     |
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[Double click on check boxes, then select 'checked' if you wish to select any of the following.]

The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.

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I would like my submission (or identified parts of my submission) to be kept confidential, and **have stated below** my reasons and grounds under the Official Information Act that I believe apply, for consideration by MBIE.

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## Please check if you would prefer to give your response in person or would like to meet to discuss your written submission:

I would like to give my submissions in person or would like to meet to discuss my written submission.

If so, please provide contact details so that we can organise to meet in person.

|             |  |
|-------------|--|
| <b>Name</b> |  |
|-------------|--|

|                                     |  |
|-------------------------------------|--|
| <b>Organisation (if applicable)</b> |  |
| <b>Contact details</b>              |  |

**Please choose any of the following you are associated with:**

- Iwi / Hapū
- Māori organisation
- Māori business
- Other

Please give any additional information you feel is relevant:

## 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? |
|   | Not relevant to the Bureau National Interprofessionnel du Cognac (BNIC). (NR)  |  |
| 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?  |
|   | NR   |  |
| 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?  |
|   | NR   |  |
| 4 | <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?   |
|   | The BNIC supports the preferred option. Providing GI-specific legislation avoids the need to tailor GI provisions to any existing statutory scheme and allows such legislation to be entirely tailor made to the needs of GIs, New Zealand and foreign. GIs may have similarities to other types of intellectual property, but are in fact quite distinct. Placing provisions for GIs in legislation such as that dealing with trade marks could readily “infect”: the GI provisions with entirely inapplicable concepts (such as ownership or classes of goods and the like). |  |
| 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?  |
|   | <p>The BNIC would prefer that the High Court (and the courts of appeal therefrom) be the court given the jurisdiction to hear and determine the infringement of a registered GI. To our knowledge, the High Court Judges have more experience in dealing with intellectual property matters,.</p> <p>In addition, in the BNIC’s view, it would be best for only the one court chosen to have the exclusive jurisdiction in this area to allow that one court to gather all of the GI experience and expertise.</p>   |  |

|   | Section                  | Question   |
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| 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?   |
|   |                          | <p>The BNIC supports the preferred option provided that the definition of “interested persons” includes not only producers, but also interprofessional organisations like the BNIC and national organisations like the INAO. A general description of interested persons could be :</p> <p>(a) any person engaged in the production of the relevant product;</p> <p>(b) any organisation whose objects or purposes include:</p> <ul style="list-style-type: none"> <li>(i) the promotion of the production or marketing of the relevant product;</li> <li>(ii) the promotion or protection of the interests of persons who produce or market the relevant product;</li> <li>(iii) the promotion or protection of the interests of consumers of the relevant product.</li> </ul>  |
| 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>In the BNIC’s view, the advantage of providing the same remedies to address an infringement of a GI as are provided under the New Zealand Trade Marks Act 2002 (<b>TMA</b>) for the infringement of a trade mark are several.</p> <p>First, the common law system of precedents means that there is a body of law under the TMA that can readily be followed or adapted and which would thus give some certainty to parties and save the need to reinvent the wheel. By way of example, if the GIs legislation were to use the same words “identical with” or “similar to” as are used in section 89 of the TMA, there is already a body of case law interpreting the words “similar to”.</p> <p>Secondly, the remedies available under the TMA are broad: injunctions, declarations, damages or an account of profits, additional damages and so forth, giving flexibility to claimants and to the Courts.</p> |

|   | Section  | Question   |
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| 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? |
|   | <p>In addition to the usual remedies for infringement (injunctions against all forms of misuse, declarations, an account of profits or damages, additional or exemplary damages and delivery up for destruction of products or documents or materials bearing the infringing name), the BNIC suggests that there should be a range of additional rights and court powers all of which should be specified in the new legislation rather than relying on inherent court powers:</p> <ol style="list-style-type: none"> <li>1. The Courts should be empowered specifically to make what are called “adverse publicity orders” (similar to those empowered by section 247 of the Australian Consumer Law 2010 (<b>ACL</b>) which require the placement of advertisements by a defendant informing the public of court orders against them;</li> <li>2. As an alternative to having to prove damage to particular stakeholders (which can be an expensive and difficult task), the new legislation should include a scheme of fixed statutory damages (eg NZ\$40,000) for each type of misuse.</li> <li>3. The regulator or interested persons should be entitled to seek orders for the imposition of civil penalties (perhaps payable to any New Zealand GI Office).</li> <li>4. Serious consideration should be given to reversing the onus of proof in damages claims as the difficulties in proof and cost barriers often result in claimants not pursuing claims.</li> <li>5. The Courts should be given broad general powers to make such other orders as may in the circumstances, be appropriate (similar to the power given to Australian Courts in sections 246 of the ACL and 87(1) of the Competition and Consumer Act 2010.</li> <li>6. There are many advantages to giving any New Zealand GI Office (perhaps as well as the New Zealand Commerce Commission) the power to take ex officio action to protect all GIs registered in New Zealand. The experience in a number of countries is that where an offender is faced with civil action launched by “interested persons”, they are commonly seen as competitors and any civil action is disputed or even defended in court. Where, however, the party who is taking the action is the local semi-governmental agency (such as a New Zealand GI Office), such actions (and even mere enquiries) are disputed or fought far less often, resulting in a more compliant market.</li> </ol> |  |
| 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? |
|   | <p>The BNIC agrees that it is logical to base the border protection measures for GIs on the TMA model. It is a known system that works quite well. However, this should, in the BNIC’s respectful submission, be only a base and not the final model. Other measures that should be considered are whether civil penalties should be applied to importers of infringing products.</p>  |  |

|    | Section                           | Question  |
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| 10 | <i>Border protection measures</i> | 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?  |
|    |                                   | The BNIC respectfully suggests that the measures applied under the TMA, if followed by GI legislation, should allow a longer time period for the lodging of claims by the interested person who will always be foreign parties where non-New Zealand GIs are concerned.   |
| 11 | <i>Border protection measures</i> | 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?  |
|    |                                   | The BNIC supports the preferred option of limiting persons who may lodge a notice with Customs to those persons who have an interest in the GI concerned (subject to the definition of who has “an interest” in the GI). In this context, the BNIC submits that the concept of a person having an interest in a GI should be the same those persons described as “interested persons” as set out in our response to question 6 above. |
| 12 | <i>Administrative enforcement</i> | 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?   |
|    |                                   | In the view of the BNIC, there are no obvious disadvantages to giving 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. A strong enforcement agency with obvious powers is likely to encourage compliant conduct.  |

|    | Section   | Question   |
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| 13 | <i>Administrative enforcement</i>   | What remedies should the courts be able to grant arising from administrative enforcement of GIs and why?   |
|    | <p>The BNIC submits that with an administrative enforcement action, the key remedies should be those that result in a cessation of the misconduct and deterrence of future misconduct.</p> <p>These goals would need the agency to have the power to obtain and the courts the rights to grant injunctions and make orders for delivery up and destruction of offending labels or materials and the imposition of financial penalties sufficient to deter future offences.</p> <p>A further advantage of administrative action powers being given the any New Zealand GI Office is that the ability to exercise such powers can easily be seen to result in simpler and less expensive remedies being available to ensure that there is a compliant market, saving significant time and costs over comparable court actions. Administrative actions such as the power to seek (and enforce) the giving to any New Zealand GI Office of enforceable undertakings or to issue penalty notices for breach would be far more effective than enforcement through the Courts.</p>   |  |
| 14 | <i>Other issues</i><br>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? |
|    | <p>In the view of the BNIC, the benefit of use of a logo that verifies that the GI used has been registered is small and indeed, such a logo could also be misused as described below.</p> <p>One small advantage of the use of such a logo is that it would act, once the public had been educated, as a warning, in the same way that the © and ® symbols so act as deterrents. The downside is, naturally, the cost of such education.</p> <p>One obvious disadvantage of the use of such a logo is that where a product that is entitled to use a GI is used as an ingredient, the logo on the final product could be misunderstood by consumers as applying to the entire product.</p> <p>Another disadvantage in the use of such a logo is that there is a risk that the use of indications, abbreviations or the GI logo next to the GI itself would dilute the reputation of the GI.</p> <p>The BNIC would not object to the use of such a logo but would not be in favour of its use being mandatory, partly because mandatory usage would simply add to the labelling costs for the export of products into New Zealand. And add another administrative burden.</p> |  |



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| 15 | <i>Other issues</i><br>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. |
|    | NR  |  |
| 16 | <i>Other issues</i><br>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?                                     |
|    | NR  |  |
| 17 | <i>Other issues</i><br>Costs  | How might the costs to administer the GIs Act be recovered and from whom?  |
|    | Any statutory damages awarded against infringers (where interested parties cannot establish their own losses) (see 8(2) above) could be paid to the authority which administers the new NZ GI legislation. Otherwise the BNIC is unable to comment on how the New Zealand government can or should fund a local semi-governmental organisation. |  |

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| 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? |
|----|---------------------|--|

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The BNIC respectfully suggests that the limitation of the duration of a GIs registration to only 10 years should be removed, so that a GI is registered without time limit with the only condition of its registration being that it remains recognised/protected in its home country.

Secondly, the BNIC suggests that the new GI registration scheme should include a provision that deals with any conflicts between GIs and trade marks, providing the internationally accepted rule of “first in time, first in right”, where the concept of who is first is measured by the first usage in New Zealand.

Thirdly, the BNIC respectfully suggests that the protection of GIs should not be limited to misuse for the same goods for which the GI is used. By way of explanation, the GI Cognac is, of course, used only for brandies emanating from the Cognac region and complying with the Cognac product specification. The BNIC suggests that the protection for Cognac should not be limited to use for similar products (wine spirits/brandies). The BNIC has for instance seen over many years a wide range of food products that are advertised and sold using the Cognac name, where there is no Cognac present or where the amount of Cognac present is minimal or where it has no taste or flavour impact whatsoever. Easy examples to cite are the so-called “Cognac Truffles” or “Cognac Pâté”, where most such products do not include genuine Cognac. However, if the Cognac GI is only protected for brandies or spirits, then the misuse on other food products such as truffles or pâtés is not covered. Importantly, Article 18.34 1(c) of the FTA certainly envisages protection being extended to cover ingredient usage.

Equally there has been the well-known EU litigation against ALDI for advertising and selling a “Champagne Sorbet” which usage was prevented (even though the sorbet contained genuine Champagne), as the court found that this did not give to the sorbet product any characteristics of Champagne. Unless any new NZ GI legislation was properly drafted, such misuses as these would be unable to be readily prevented. The relevant interested parties would have to rely on passing off or on the NZ Fair Trading Act, both fairly cumbersome routes.

The BNIC also refers to Article 34.3 (1)(c) which states that each party to the FTA must:

“...provide the legal means for interested parties to prevent in its territory ... any other use of a geographical indication that constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention which may include commercial use of a geographical indication that exploits the reputation of that geographical indication, including when that good is used as an ingredient.”

The BNIC would hope that the NZ legislation that implements the FTA provides would therefore make it possible to protect a GI against misappropriation of reputation (by use of a name identical to the GI name on different products).

Finally, the BNIC also respectfully suggests that the protection given to GIs extend to cover online misuse and misuse in domain names and in social media, an area which is so often overlooked in the drafting of legislation.