

ip.policy@mbie.govt.nz

EU-NZ Free Trade Agreement: Reform of Geographical Indications Law in New Zealand - submissions

We attach the submissions of New Zealand Intellectual Property Attorneys Inc (NZIPA) in relation to the proposed reform of Geographical Indications (GI) law in New Zealand.

We address various issue in the following pages but wish to highlight at this time a number of key issues.

We consider that there are a wide range of New Zealand specific GIs that should be extended protection. We strongly encourage the extension of the scope of protection of GIs for New Zealand producers.

The scope of what amounts to an infringement and who qualifies as an “interested party” will require particular attention.

We have significant concerns about the proposal that New Zealand producers, industries and ultimately the consumer will be funding the administration and enforcement of EU GIs.

We are also disappointed that the opportunity to extend protection to indigenous knowledge, fauna and flora is not being taken.

Do not hesitate to contact us if you wish to discuss any matter in more detail.

Yours faithfully,
New Zealand Intellectual Property Attorneys Inc.

A handwritten signature in blue ink, appearing to read 'E.S.A.', enclosed in a white rectangular box.

Elena Szentiványi
President
nzipa1@gmail.com

A handwritten signature in blue ink, appearing to read 'R. McDonald', enclosed in a white rectangular box.

Rachel McDonald
Council Member

Your name and organisation

Name	Elena Szentiványi Rachel McDonald
Organisation (if applicable)	New Zealand Intellectual Property Attorneys Inc. (NZIPA)
Contact details	Elena Szentivanyi (elena@henryhughes.co.nz) Rachel McDonald (rachel@ironsidemcdonald.com)

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.

MBIE intends to upload submissions received to MBIE's website at www.mbie.govt.nz. If you do not want your submission to be placed on our website, please check the box and type an explanation below.

Please check if your submission contains confidential information:

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.

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.

Name	Elena Szentiványi / Rachel McDonald
Organisation	New Zealand Intellectual Property Attorneys Inc (NZIPA)
Contact details	Elena Szentiványi elena@henryhughes.co.nz Rachel McDonald (rachel@ironsidemcdonald.com) NZIPA nzipa1@gmail.com

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:

NZIPA is an incorporated body representing most trans-Tasman patent attorneys registered and practising in New Zealand.

The current membership of NZIPA comprises 172 Fellows, 3 Honorary, 10 Students, 10 Non-resident, 28 Associates and 2 Retired.

Patent attorneys operate in the global arena across all sectors of industry to assist businesses in their key markets to use intellectual property (IP) systems for strategic advantage. Patent attorneys are qualified to, and regularly do, advise on all intellectual property rights including patents, trade marks, designs, and copyright.

Responses to questions

	Section	Question
1	<i>Registration of geographical indications</i>	<p>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?</p>
<p>We confirm that there are 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. We also confirm that we are aware that these products are being exported. An example of the products are:</p> <ul style="list-style-type: none"> • Cheese and other dairy products and value ad products made from these products • Fish & Shellfish such as oysters and mussels • Fruit such as cherries, kiwifruit, berries, apples, pears, oranges • Vegetables, such as carrots, potatoes, garlic etc • Honey • Meat products, such as venison, beef, lamb • Indigenous Flora & Fauna • Hardwoods • Vitamins, supplements, healthcare and skincare products based on New Zealand grown flora, fruit and vegetables. <p>New Zealand has a long history of producing exceptional products, focusing on our clean and green heritage and values. This reputation extends far beyond wines and spirits. The ability to protect a range of GIs will protect the interest of New Zealand producers and consumers. To the extent the expanded range of GIs can then be protected internationally, this will increase the value of those products, both in demand and value, and increase NZ's export earnings.</p> <p>We anticipate that representatives of the relevant industries will be better placed to confirm where the products are being exported and the export revenues of these products generate for NZ producers. However, based on our experience as legal advisors for such businesses we can say that the above products are exported to various countries in the northern hemisphere including the EU member states, the UK, China, Japan, South Korea, India, the UAE, the US and Canada.</p>		

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?
<p>We are aware of one situation, where the registration of a GI for a food product would have been beneficial. The issue relates to the use of term MĀNUKA HONEY. Mānuka (<i>Leptospermum scoparium</i>) is a tree grown throughout New Zealand and small parts of Australia. It is known for its antibacterial properties.</p> <p>There have been a well-publicized legal battle for over 5 years where the New Zealand Mānuka Honey Appellation Society has fought to protect the use of the term MĀNUKA HONEY for use on in relation to honey sourced from the flowers of those trees from New Zealand. The word “Mānuka” has a Māori origin, and the surrounding plants and soil mean that only New Zealand can produce the true MĀNUKA HONEY. Given the innate properties of MĀNUKA HONEY consumers will be confused, and potentially overcharged, if the term is used in relation to honey that is not authentic, i.e. produced from multiflora sources or from trees that are not in New Zealand.</p>		
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>The main benefit is to provide New Zealand producers with an additional option to strength their rights and protection. Potential other benefits are increased demand and reputation due to the added mana of a protected GI.</p> <p>Without extending the current registration regime, New Zealanders would be disadvantaged by the rights given to EU producers and not being able to secure their own rights. This is particularly so with some of the protected EU GIs being terms currently used by NZ producers such as feta, Camembert (full name Camembert de Normandie) and brie.</p> <p>New Zealand producers should have the equal right and opportunity to create and protect their own GIs for food and beverages to be able to compete in the NZ and international markets.</p>		
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?
<p>We agree with the preferred option (Option iii).</p> <p>We agree that creating specific infringement and enforcement provisions within the GI legislation is consistent with the approaches taken in other IP legislation and will also enable for the enforcement to be tailored specifically for GIs.</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?
	<p>Ideally the infringement would be reviewed by a specialized Tribunal, however we note that this was discarded on the basis that the IP disputes are excluded from the Disputes Tribunal.</p> <p>On this basis we agree with Option iii - that that any infringement cases are heard by the High Court. The High Court routinely hears and determines other IP related disputes.</p>	
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>Our preferred option and the most consistent and simplest option is option ii – the person in whose name the GI is registered - the Registrant. This is in line with other IP rights. The absence of a Registrant is relevant to the remedies that would be available.</p> <p>In the absence of a Registrant, we consider that at the very least any enforcement actions be brought in the name of a limited class of “interested person” - option iii. The GI Act will have to provide a definition for “interested person” limited for example to the industry body that regulates the production of the goods under the GI, members of that industry body and any individual producer who is authorised to use the GI.</p>	
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>With regards to Civil Enforcement we agree that the same remedies as the Trade Marks Act should be available.</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?
	<p>No other remedies are necessary.</p>	
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>We agree that there should be Border Protection Notices available for GIs. We submit that this should be based on the similar current Border Protection Notices as under the Trade Marks Act 2002.</p>	

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 current Border Protection Notice regime works well in New Zealand. We do not consider that any changes are necessary. However, we note that to the extent a GI may cover a perishable food product there may be a need for some modification to safely store such items while the matter is being determined.		
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?
We agree to limiting persons who may file a Border Protection Notice to persons that has an interest in the GI concerned. As noted above, it will be necessary to have a specific and limited definition for “interested person” in the GI legislation.		
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?
We note any administrative enforcement of GIs is likely to sit with an existing agency rather than a new bespoke agency. In relation to other IP rights, the legislation provides for enforcement by the right owner rather than a publically funded agency. We have concerns with the costs to the NZ government, NZ entities owning registered GIs (such as NZ Wine Growers) and tax payers in having to cover the costs of an administrative action or investigative powers that EU GI owners could call upon to enforce a private right. Having said that, the search powers and power to require a person to supply information or documents or give evidence specified in section 47 of the Fair Trading Act are unlikely to be required for the purpose of obtaining evidence for the civil enforcement of GIs.		

13	<i>Administrative enforcement</i>	What remedies should the courts be able to grant arising from administrative enforcement of GIs and why?
<p>As noted above, the absence of a Registrant has implications for the range of remedies available. For example, it would not be possible to calculate any damage suffered by the affected producers. We do not consider damages to be an appropriate remedy. An account of profits would be more readily calculable as it would equate to the profit made by the infringing party through sales of the infringing product.</p> <p>An injunction is an important and effective remedy as it halts the infringing activity.</p>		
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?
<p>We support the adoption on an official logo for producers to use. This in in line with what is currently offered in the EU, furthermore, it will assist in creating a more understanding of the value of GIs for NZ consumers.</p>		
15	<i>Other issues</i> Enduring GIs	Are any of the enduring GIs (i.e. '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.
<p>We are aware of the enduring GI New Zealand being used by New Zealand spirits producers. The following is a non-exclusive list of gin, vodka, rum and whiskey products to illustrate this:</p> <ul style="list-style-type: none"> • Dr Beak gin; • Scapegrace gin, vodka and whiskey; • Sandymount Distillery gin and vodka; • Blush gin and Russel whiskey; • The Bond Sore vodka; • Kiwi Spirit Distillery gin, vodka and whiskey; • 42 Below vodka; • Black Collar gin, vodka and rum; and • 1919 gin and vodka, and Cane rum. <p>Images and website links are set out in Annexure 1 to these submissions.</p>		

Other issues
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?

As noted above we are aware that the enduring GI New Zealand is in use for spirits. We noted use of other geographic terms in relation to spirits e.g. Bay of Islands, Kapiti Coast and Golden Bay.

Even if the enduring GIs North Island and South Island are not in use for spirits we submit that they should be retained for all products protected under the GI regime. If the enduring GIs are repealed then a trader from any country could use those terms on products that are sold in New Zealand. To the New Zealand consumer the use of the terms North Island and South Island intrinsically implies that the product is made in New Zealand and comprises ingredients sourced in New Zealand and specifically in a particular part of New Zealand which has certain attributes relevant to the product. There would be consumer confusion if that was not the case.

We are aware that foreign traders are registering and/or using the terms South Island and North Island internationally. As examples we refer to the following two Australian trade mark applications. Full details of the applications are attached as Annexure 2 to these submissions.

First, Trade Mark Application No. 2207604 South Island Pure & Naturally Crafted in the name of Aldi Foods Pty Ltd for milk, cheese, butter, yoghurt and other milk products. Secondly, Trade Mark Application No. 2313246 NORTH ISLAND HONEY in the name of CV Sea Online Department Stores Pty Ltd for honey; food products containing honey as the predominant ingredient.

Without South Island and North Island being protected as enduring GIs for the relevant goods Aldi could use that trade mark in New Zealand in relation to dairy products not made in the South Island or raw ingredients sourced from the South Island and CV Sea could use their trade mark in New Zealand for honey made with nectar not collected and processed in New Zealand.

The visual elements of both of these trade marks also allude to New Zealand with the mountain image in the South Island mark and the simplified image referencing New Zealand in the North Island trade mark.

Use of those terms in New Zealand by those traders in relation to products that do not have an authentic connection with those geographic areas would be misleading and confusing to New Zealand consumers.

17	<i>Other issues</i> Costs	How might the costs to administer the GIs Act be recovered and from whom?
<p>We are concerned that the burden of the cost of running the GI system and administrative enforcement of GIs appears to fall solely on New Zealand businesses and consumers.</p> <p>Government policy on cost recovery for IPONZ to administer the various intellectual property statutes require its costs to be fully recovered from the beneficiaries of those regimes. Contrary to this policy, EU GIs will be protected and gain a significant benefit without payment of any fees. The waiving of any fees for the protection of the EU GIs is a significant cost to the government. On the basis of an application fee of \$5,000 for the 2,133 EU GIs the government is forgoing \$10,665,000 which could be utilised to fund the administration of the GI regime. Ongoing funding would be obtained through the renewal fees currently set at \$2,000 after five years and \$500 for each subsequent 10 years. If renewal fees were to be paid for the 2,133 EU GIs that would be \$4,266,000 after five years and a further \$1,066,500 each subsequent 10 years. We also note that the EU has the right to add a further 30 GIs every three years. This equates to a further \$5,000,000 in application fees every year.</p> <p>We firmly believe that the EU producers should be paying for the protection of their GIs in New Zealand and contributing to the costs of administering the system. There is no other IP right for which a commercial producer receives protection and enforcement from the New Zealand government at no cost to them.</p>		
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>The questions touch on enforcement but there is no clear direction in the discussion paper about what comprises an infringement. With the preferred option being to include the enforcement provisions within the GI Act there is a need to consider what would give rise to an infringement and enforcement.</p> <p>We are concerned that foreign entities are obtaining swiftly and at no cost significant protection of their rights in New Zealand and that the opportunity to protect New Zealand created products and indigenous knowledge is not being pursued wholeheartedly. This is a lost opportunity.</p> <p>The wait for the implementation of the Waitangi Tribunal's recommendations in Wai 262 has been embarrassingly too long - with the claim being lodged in 1991 and the report Ko Aotearoa Tēnei in 2011. Specifically, <i>Ko Aotearoa Tēnei</i> recommended vast policy and legislation reforms relating to intellectual property and indigenous flora and directly relates to GIs. We appreciate that the Te Pae Tawhiti, being led by Te Puni Kōkiri, is a significant and long term project. However, any opportunities to incorporate and implement recommendations for <i>Ko Aotearoa Tēnei</i> should not be overlooked.</p>		

ANNEXURE 1

Dr Beak gin - <https://drbeak.nz/>



Scapegrace gin, vodka and whisky - <https://shop.scapegracedistillery.com/>



Sandymount Distillery gin and vodka - <https://www.sandymount.nz/>



Blush gin and Russell rum - <https://blushginstore.co.nz/>



The Bond Store vodka - <https://thebondstore.co.nz/>



The Kiwi Spirit Distillery gin, vodka and whiskey - <https://www.kiwispiritdistillery.co.nz/>



42 Below Vodka - <https://www.42below.com/#/>



Black collar gin, vodka and rum - <https://www.blackcollardistillery.com/>



1919 gin and whiskey and Cane rum - <https://1919distilling.com/>



ANNEXURE 2

Details view | IP Australia | Trade Mark Search

<https://search.ipaustralia.gov.au/trademarks/search/view/2207604/details>



Trade mark 2207604

Words SOUTH ISLAND PURE & NATURALLY CRAFTED

Image

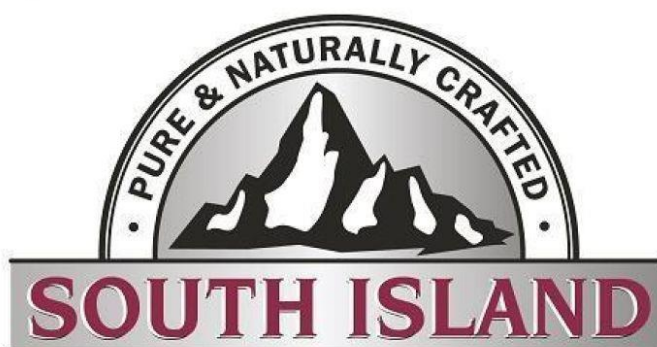


Image description MOUNTAIN IN ANNULUS, INCOMPLETE ATOP RECTANGLE

Status Published: Under Examination - Deferred

Priority date 02 Sep 2021 (Filing)

Class 29

Kind Figurative

Dates

First report 10 Nov 2021

Filing 02 Sep 2021

Owner

ALDI Foods Pty Ltd

Address for service

Spruson & Ferguson

Goods & Services

Class 29: Milk, cheese, butter, yoghurt and other milk products



Trade mark 2313246

Words NORTH ISLAND HONEY

Image



Image description BEE, STYLISED & HONEYCOMB IN HEXAGON

Status Accepted: Awaiting Advertisement

Priority date 08 Nov 2022 (Filing)

Class 30

Kind Figurative

Dates

Acceptance 23 Dec 2022

First report 14 Dec 2022

Filing 08 Nov 2022

Owner

CV Sea Online Department Stores Pty Ltd

Address for service

Griffith Hack

Goods & Services

Class 30: Honey; food products containing honey as the predominant ingredient