

17 April 2020

Ministry of Business Innovation and Employment  
Ministry of Foreign Affairs and Trade  
**Wellington**

By email: [EU-FTA@mfat.govt.nz](mailto:EU-FTA@mfat.govt.nz)

**RE: EU-NZ Free Trade Agreement Negotiations: Protection of Geographical Indications in New Zealand – consultation**

The New Zealand Law Society | Te Kāhui Ture o Aotearoa (**Law Society**) welcomes the opportunity to comment on the discussion paper *EU-NZ Free Trade Agreement Negotiations: Protection of Geographical Indications in New Zealand*. The Law Society's Intellectual Property Law Committee has considered the discussion paper. The Committee has not responded to some questions in the discussion paper that relate to policy matters outside the Law Society's remit and expertise. Responses to the remaining questions are set out below.

**EU Proposal**

Foodstuffs

Q2: *What do you think the impacts on New Zealand producers and consumers (including any costs and benefits) might be if we implement a registration regime for foodstuff GIs? For example:*

- *are there examples of names or other indications associated with foodstuffs that are not adequately protected by New Zealand's existing law and would benefit from a GI registration regime?*
- *what are the differences between wine and spirits GI and foodstuff GIs that could justify wine and spirit GIs having a registration regime and foodstuff GIs not having one?*
- *what costs would a foodstuff GI registration regime impose on foodstuff producers and consumers?*

As a matter of principle, we consider foodstuffs should be registrable as a GI (**geographical indication**) if the GI conforms to the statutory definition either as a result of its inherent characteristics or its characteristics in fact.

Homonymous GIs

Q4: *What are the anticipated impacts (including costs and benefits) of preventing homonymous GIs from being protected? Should conditions for homonymous GIs be 'mutually decided' or determined by the New Zealand Registrar? Why?*

We consider that the current provisions for the potential registration of conflicting GIs under sections 19 and 20 of the Geographical Indications (Wine and Spirits) Registration Act 2006 (**GI Act**) provide a pragmatic and sensible solution to the issue of homonymous GIs.

## Relationship to trade marks

### Prior existing trade mark rights

*Q6: If an application for registration of a trade mark conflicts with an EU GI protected under the FTA, what should the relevant date for determining whether such a trade mark should be refused registration or invalidated because of the existence of a protected GI and why?*

We consider the relevant date for determining whether a trade mark application should be refused for registration or invalidated because of the existence of a protected GI should be the date of the application for registration of the trade mark. This is for consistency with section 20 of the Trade Marks Act 2002 and no alternative is being suggested.

*Q7: Under what circumstances should a prior existing trade mark registration be able to prevent the subsequent protection and registration of a GI?*

A prior existing trade mark registration should be able to prevent the subsequent protection and registration of a GI under the current circumstances in sections 14 to 18 of the GI Act.

*Q8: Under what circumstances should a prior existing unregistered trade mark right (established by use) prevent protection being given to a GI?*

A prior existing unregistered trade mark right should be able to prevent the subsequent protection and registration of a GI under the current circumstances in sections 14 – 18 of the GI Act.

### **Right to use a GI – product specifications**

*Q10: What, if any, systems of production control (beyond what is currently required in New Zealand) should a producer be required to submit to before a GI can be used in relation to the products of that producer and why? Who should set them, and how and why?*

We see no issue in providing details of production control in conditions for use of a food GI that are equivalent to the details of production control that are typically provided in Regulations for use of a geographical Certification Trade Mark in New Zealand.

### **Standard of GI Protection**

Our general response to Qs11 – 19 is set out below:

Historically the protection of names or trade marks in New Zealand has been restricted to stopping use that misleads or deceives consumers. Passing off requires a misrepresentation. The Fair Trading Act 1986 requires misleading or deceptive conduct in trade. The GI Act deems particular use of the GI to be a breach of the Fair Trading Act, that is, misleading or deceptive conduct.

The Trade Marks Act largely requires use that is likely to deceive or confuse (or is deemed likely to deceive or confuse if it is an identical trade mark used on the same goods). The proposed protection for GIs is most similar to section 89(1)(d) of the Trade Marks Act. Section 89(1)(d) prohibits use of well-known trade marks where the use takes unfair advantage of or is detrimental to the distinctive character or the repute of the mark. It is a limited prohibition on uses which are not necessarily confusing or deceptive.

However, this provision only applies to *well-known* trade marks (i.e. those that are proved to be famous). Under the EU's proposals similar protection would be extended to all GIs, whether or not they were well-known.

The Law Society is concerned to ensure that officials recognise that extending GI protection in this way would be a significant extension to traditional prohibitions. Concepts such as use of a GI which exploits the reputation of the GI, or a misuse, imitation or evocation of the GI,<sup>1</sup> would create a new category of protection for names that are not well-known, even against use that is not misleading or deceptive. In effect this proposal would deem *all* GIs to be well-known.

The existing protection for well-known marks can be seen as protective of particular businesses rather than protective of consumers. It would be a significant change to existing policy to extend that protection to GIs that are not well-known where their use is not misleading.

*Q16: Are there any circumstances in which GI protection should apply in relation to non-commercial use of a GI? What are the anticipated costs and benefits of protection applying in that way?*

Applying GI protection to non-commercial use would go well beyond New Zealand's current laws. We are aware of no circumstances where this would seem warranted or required.

#### False or misleading indications – X.34.1(c) and (d)

*Q20: What other uses of a GI, if any, should be protected and what are the anticipated costs and benefits of providing that protection?*

The Fair Trading Act already prohibits misleading or deceptive conduct in trade. There is no obvious benefit from a proliferation of laws addressing the same problem. Accordingly, the Law Society queries whether protection for GIs in respect of the various false and misleading Indications as described in Article X.34.1(c) and (d) is usefully included in the GI Act. Instead it should be left to existing laws to the extent that they provide such protection.

#### **Enforcement of GI protections**

*Q22: What, if anything, is particular, or peculiar, to the protection of GIs that means providing civil judicial procedures would be insufficient or otherwise inadequate for protecting them?*

*Q23: If the Government was to provide enforcement of GIs by administrative action, how should the Government's costs for such action be recovered, and from whom? Should the Government have any discretion in deciding when, and against whom, it should take action? If so, why and in what circumstance?*

All New Zealand intellectual property statutes put the responsibility and cost on the owner of the intellectual property right to enforce those rights in civil proceedings. There are some criminal offences where, in theory, the state would prosecute. However, they are very seldom used.

There is nothing particular or peculiar about GIs that means those usual civil procedures, instigated and funded by the owner of the right, should not be the sole means of enforcement. There would be a major inconsistency with other intellectual property statutes if there were a special administrative action and government funding for enforcement of GIs.

*Q25: What are the anticipated costs and benefits of extending the existing trade mark and copyright border protection measures to also apply to GIs?*

Implementing border protection measures for GIs would be consistent with the current protection for registered trade marks and copyright, and is a natural extension.

---

<sup>1</sup> *EU-NZ Free Trade Agreement Negotiations: Protection of Geographical Indications in New Zealand* discussion paper, at paragraph 61(a) – (b).

## Cancellation of GIs

*Q26: What are the anticipated costs and benefits of New Zealand protecting EU GIs under the FTA where the relevant goods are not being exported to or traded in New Zealand?*

Protecting EU GIs under the FTA (**Free Trade Agreement**) where the relevant goods are not being exported to or traded in New Zealand would be consistent with the current protection for wine GIs in New Zealand.

*Q27: In what circumstances should the protection given to EU GIs under the FTA be cancelled and why?*

The proposed grounds for revocation are very limited. Cancelling the protection given to EU GIs under the FTA in accordance with the current provisions of the GI Act would be consistent with the current protection for wine GIs in New Zealand, and is favoured on that basis.

If a GI ceases to function as a GI, for example by falling into disuse in its country of origin, then retaining the registration of the GI is an obstacle to trade, with no benefit.

It is unusual for a trade mark or name to cease to have its primary function of identifying the source of the goods and yet still be protected, or at least not be vulnerable to removal. A trade mark that is unused or has become a common name in general public use can be revoked.

## Protecting additional names after the FTA is ratified

*Q28: What would be the benefits and costs arising from the FTA providing an alternative procedure for GIs to be given protection in New Zealand and the EU?*

Registration should be left with the Intellectual Property Office of New Zealand (**IPONZ**). The proposed joint working body (**JWB**) appears to duplicate the role of IPONZ. IPONZ has the expertise to apply the GI Act. It is unusual to hand the authority to put something on a New Zealand register to an overseas or partially overseas body. We would also be concerned that decisions of the JWB and IPONZ could be inconsistent.

We hope you find these comments helpful. If you have any questions or further discussion would be helpful, please contact the Intellectual Property Law Committee convenor, Greg Arthur, via the Law Society's Law Reform Adviser, Emily Sutton ([Emily.Sutton@lawsociety.org.nz](mailto:Emily.Sutton@lawsociety.org.nz)).

Yours faithfully



Herman Visagie  
**NZLS Vice President**