

## Summary of IPONZ Technical Focus Group

Trade Marks

Date of Meeting: 8 June 2022

Agenda Items	Comments
1.	<p><b>Minutes and action points from previous meeting</b></p> <p>Minutes of the TFG meeting on 11 November 2020 was approved</p> <p>Actions points completed from previous meeting:</p> <ul style="list-style-type: none"> <li>• Email to be sent our subscribers and news item to rollout on IPONZ website re: new systems release. Potential for training, members to contact IPONZ if they have any issues with the systems release. <i>Completed – email sent 29 March 2022. Active in case management system from 31 March.</i></li> <li>• The issue surrounding use of colons, members email Rebecca if they are experiencing similar issues. <i>Completed</i></li> <li>• Prior continuous use – Guidance from IPONZ, Jeanette Palliser’s draft practice guidelines to be circulated to members. Complete – email with Jeanette Palliser’s draft practice guideline sent 23 March 2022. IPONZ to update examination guidelines to include prior use more clearly within “other special circumstances”. – email with proposed practice guideline update sent 14 April. Feedback from Tom Robertson received. <i>In progress</i></li> </ul>
2.	<p><b>IPONZ Updates</b></p> <ul style="list-style-type: none"> <li>▪ December 2021 remains our highest number of classes filed to date, but the filing numbers since February are staying high.</li> <li>▪ The total for the year to-date July 2021 – April 2022 is 55,685 classes over 25,218 applications which is a 6% increase in applications and 12% in classes on the same period the year prior.</li> </ul> <p><b>Recruitment and People on the Move</b></p> <ul style="list-style-type: none"> <li>▪ Since the last update, Julie McCarthy has been appointed as a permanent team leader, and David Da Vanzo is an acting Team Leader.</li> <li>▪ 8 new examiners Associate Trade Mark Examiners started in April of this year, based in Auckland and Wellington.</li> <li>▪ Jeanette Singh has joined the team as a Principal Trade Mark Examiner, and Thomas Abernethy has taken on a new role in the Corporate Governance and Intellectual Property Policy team.</li> <li>▪ Simon Gallagher has been appointed as National Manager Consumer Services on a permanent basis</li> <li>▪ The National Manager IPONZ role has been recruited for. Rebecca White (Becky) has been appointed to the position. Becky will be taking up the role in August 2022, on a date to be confirmed shortly. Until Becky can join us in August, Rob Garrett is acting National Manager IPONZ.</li> <li>▪ Steffen Gazley is currently working on an International Work Programme for IPONZ. To allow Steffen a few months to work on this full time, the following</li> </ul>

	<p>temporary arrangements were affected from April 1 2022: Gaby Cowcill has stepped in as Hearings Manager, Rebecca James has stepped in as Manager Patents and Designs and Jeanette Palliser is currently acting Manager Trade Marks and GI.</p> <p><b>Pendency Times</b></p> <ul style="list-style-type: none"> <li>▪ IPONZs primary focus now is to train our newer examiners, recruit and address the backlog in cases. The pendency time in first applications and correspondence are on track, but examination of New Zealand designations has slipped somewhat to 4-5 months from receipt. <ul style="list-style-type: none"> <li>▪ First examinations: Excluding cases forwarded to the Māori Trade Marks Advisory Committee, national mark applications are being examined within 15 working days.</li> <li>▪ Correspondence: The majority of correspondence cases are being examined within our 15 working days turnaround time. There has been a small improvement since the last update, as of the 16 May 2022, 95 cases (down from 128) are left outside of this standard timeframe (comprising 75 national and 20 NZD), the majority of these were due between January and May.</li> <li>▪ New Zealand Designations: This is the largest number of outstanding pieces of work, and we are currently examining NZD applications originally due to be completed on 27 January 2022.</li> </ul> </li> </ul>
3.	<p><b>Update from MBIE Policy Team</b></p> <ul style="list-style-type: none"> <li>• UK FTA implementation: <ul style="list-style-type: none"> <li>○ Omnibus FTA implementation Bill being developed for tabling in Parliament in July.</li> <li>○ Will include a minor amendment to section 174B of the Copyright Act 1994 to provide performers with a property right for playing of sound recordings in public (i.e., their consent will be required for this activity).</li> </ul> </li> <li>• EU FTA negotiations <ul style="list-style-type: none"> <li>○ MFAT working towards substantial political conclusion by the end June.</li> <li>○ Conclusion will require an improved and adequate goods market access offer from the EU.</li> <li>○ Conclusion will also require New Zealand to agree to protect around 2,150 EU names as geographical indications (GIs) at a standard above what is required by TRIPS Agreement and for that standard to apply all types of GIs (expansion of the TRIPS standard for wine and spirits to agricultural products, foodstuffs, and other beverages).</li> <li>○ A list of those names can be found on the MFAT website.</li> <li>○ This would also have implication for the use of those EU names as descriptive terms in the specifications of trade mark applications and registrations once those names become protected in New Zealand as geographical indications. Attorneys are encouraged to avoid using these any of these EU names in specifications unless the client is, or intends to, import relevant EU products for sale in New Zealand.</li> </ul> </li> <li>• PVR Act review</li> </ul>

	<ul style="list-style-type: none"> <li>○ Consultations on new regulations and fees closed on Friday 20<sup>th</sup> May. Awaiting the Bill's progression in Parliament.</li> <li>○ New regime to come into force in September.</li> <li>● Trans-Tasman patent attorney regime review: <ul style="list-style-type: none"> <li>○ Outcomes of the review delayed because of Australian Federal Elections.</li> <li>○ Likely announcement on the outcomes will happen in July (precise details of announcement still under discussion with IP Australia).</li> <li>○</li> </ul> </li> <li>● Questions from TFG members <ul style="list-style-type: none"> <li>○ Member, Kate Duckworth, asked about New Zealand's accession to the Hague Agreement concerning the International Registration of Industrial Designs. George responded by noting that the matter of joining the Hague Agreement was included in the Copyright Act Review Issue Paper. Six submissions on this were received and submitters were equally divided over whether New Zealand should join. There is a strong commitment to consider joining the Hague Agreement under commitments made under the FTA with the UK. Further work analysing the costs and benefits of joining is ongoing, and we're likely to see some traction on this matter in 2023.</li> <li>○ Update requested on UK FTA commitment to extend copyright term extension. George confirmed that there is a 15-year transition period from entry into force of the agreement to implement term extension. However, no decision has been taken around when the term would be extended to meet this commitment. MBIE's preference would be for consideration of when the term would be extended to be included in the review of the Copyright Act. This would allow consideration to be given to introducing new measures to address some of the negative impacts arising from copyright term on, for example, orphan</li> </ul> </li> </ul>
4.	<p><b>IPONZ International Engagement Update</b></p> <ul style="list-style-type: none"> <li>● IPONZ operates IP registration systems that are governed by international treaties. At least 60% of our incoming work volumes come via these channels. In addition, New Zealand businesses will use these systems to protect their IP overseas.</li> <li>● In 2019 IPONZ created an International Strategy, with an overall aim to improve the global competitiveness of New Zealand business by helping them protect and leverage their intellectual property in overseas markets.</li> <li>● Our customers, partners, systems, people, and profile are the main drivers of our international engagement.</li> <li>● IPONZ are focussed on several key areas such as international IP agencies (WIPO, UPOV), countries and regions (Australia, Pacific), trade, and international industry bodies.</li> <li>● IPONZ wishes to progress its international strategy more effectively, ensure its international engagement is effectively managed, and identify any further areas of opportunities and benefits from additional engagement.</li> </ul> <p>request for feedback on new templates – Requested feedback from members – Stylised logo are truncated in the Notice of Acceptance, IPONZ is working on a fix.</p>

	Generally feed back has been good.
5.	<p><b>Practice Guideline Updates</b></p> <p><b>“Providing a website” terms</b></p> <ul style="list-style-type: none"> <li>• IPONZ examines “providing a website” terms to be consistent with the NICE classification and the way these terms are treated internationally. Taking this approach benefits New Zealand applicants who file international registrations as it will help avoid irregularities being raised in relation to “providing a website” terms. It also means that trade mark specifications will be clear and easily understood.</li> <li>• The provision of website services including the term “providing a website” is considered to be unclear and/or too broad, as the exact nature of the services included within this description is unclear, and a concern will be raised under section 32(2) of the Act. The applicant will be asked to amend those terms by specifying the exact service or services in respect of which registration is desired.</li> <li>• Members were shown a PowerPoint which includes examples illustrating how examiners currently treat “providing a website” terms in specifications.</li> </ul> <p><b>Reading in of terms and specification amendments</b></p> <ul style="list-style-type: none"> <li>• Examiners should be reading in terms within the respective class where possible. Where the goods or services applied for can fall under the class applied in, and it is the natural class for the good or service, we can assume that the applicant has applied in the correct class and that the specification is clear.</li> <li>• Where a specification term can be made clear in the class originally applied in, and cannot be read in as worded, an unclear or unduly broad objection will be raised. Examiners will assume that the term - as correctly classified in the class already applied in - is what the applicant originally applied for, noting that the applicant applied for that term in the original class.</li> </ul>
6.	<p><b>Prior Use</b></p> <p>Jeanette Palliser circulated a response to Members on April 14, regarding last TFG’s discussion around prior use and a proposed practice update relating to prior use. Jeanette Singh has recently commenced as Principal Trade Mark Examiner and is looking after this project. In formulating her response, Jeanette Singh has considered the following:</p> <ul style="list-style-type: none"> <li>• Tom Robertson’s submissions outlining why IPONZ practice to not consider prior use is <i>ultra vires</i> and unlawful.</li> <li>• Submissions to the IP Laws amendment bill of Rob Batty, law lecturer at Auckland University and subsequent discussions with Mr Batty.</li> <li>• Jeanette Palliser’s initial draft practice (first discussed in 2018) and feedback as to why prior use or prior continuous use is not considered to be “special circumstances” within the context of section 26(2).</li> </ul> <p>At this stage, IPONZ is not currently willing to amend its practice guidelines to allow prior use/prior continuous use to be considered “special circumstances” on its own, (without supporting evidence), within the context of section 26(2) for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Trade Marks Act 2002 does not specifically allow for prior use (albeit not precluded specifically).</li> </ul>

- There is no solid guidance provided by legislation or by way of case law as to how IPONZ examiners will approach the issue of prior use, or indeed assess such evidence. By contrast, in Australia this is specifically allowed for under the Trade Marks Act 1995. Ideally, there should be an amendment to the Trade Marks Act 2002 to make it clear that Parliament's intention is that prior use can overcome a citation under section 25.
- Prior use is notably different from honest concurrent use, as the use requirements for honest concurrent use are relatively stringent, and guided by case law, whereas prior use could be allowed where just one example of use is demonstrated, which IPONZ consider to be a low bar.
- Traders would be adversely impacted by the registration of conflicting trade marks, particularly as registration is a defence to trade mark infringement.
- Allowing prior use to be considered "special circumstances" on its own, without specific guidance or criteria will place an undue burden on examiners during the examination process, particularly when the proprietor of the cited mark will not be provided an opportunity to be heard in that instance. Also, IPONZ will have to take the added step of notifying the proprietor of the cited mark that it is withdrawing the citation of their trade mark.

IPONZ notes the following issues:

- The integrity of the register also needs to be maintained. Honest traders need to be able to rely on the register when determining what trade mark to use. For example, the owner of a mark who registers a trade mark in good faith without knowledge of prior use by another trader would be put in a difficult position.
- There are other options currently open to the party alleging prior use, for instance, removal proceedings, revocation proceedings or invalidity proceedings.

In line with Jeanette Palliser's email to the Committee of 14 April 2022 March setting out a proposed initial draft practice, the following amendment is recommended to current office practice:

"The owner of an application facing a citation under s25 may provide submissions and evidence of use of its mark in New Zealand prior to the date the cited mark was filed (or applicable convention priority date). Examiners will consider such submissions and evidence in determining whether "special circumstances" exist for the purposes of s26(b). Prior use may be one of the various factors which Examiners may take into consideration when determining whether special circumstances exist under s 26(b) but prior use on its own may not amount to a special circumstance. Each case will be considered on its merits".

IPONZ has sought feedback from the TFG members on what the practice should look like going forward and encouraged further input at the meeting.

The NZLS IP Law Committee has also reached out seeking an extension of time for filing its submissions on the issue of prior use and IPONZ is awaiting these.

- Feedback from TFG members

	<ul style="list-style-type: none"> <li>○ Member, Tom Robertson, presented Lacoste's 2017 case.</li> <li>○ In general, positive feedback received from members regarding Jeanette Singh's proposed guidelines, the outcome that prior use will be considered as a special circumstance, and overall agreeance that each case should be addressed on its individual merits.</li> <li>○ Member concern expressed regarding articulation of guidelines. Action on members to work with IPONZ on the wording of new proposed guidelines. Example wording suggestion provided by member Kate Duckworth: "one example of prior use may not be sufficient", "proven continuous use will be assessed case-by-case to determine whether special circumstances are met".</li> <li>○ Nick Holmes queried IPONZ's timeframe to update the guidelines and interim process. IPONZ response, prior use will be considered during the interim period while formalising guidelines, if said prior use meets the standard of special circumstances.</li> <li>○ Support expressed from Tom Robertson for IPONZ to follow Australian Office Practice in assessing evidence of prior use.</li> </ul>
<b>7.</b>	<b>Systems updates and agent identity management</b> <ul style="list-style-type: none"> <li>• IPONZ processes to manage feedback and deliver system improvements</li> <li>• Agent identity and related processes initiative</li> </ul>
<b>8.</b>	<b>Other Business</b> <ul style="list-style-type: none"> <li>• IPONZ received a query from a member of TFG about the criteria for reaching impasse. IPONZ do not currently have published guidelines around this.</li> </ul>

**Next Meetings: 15 September 2022**