BY EMAIL (trademarks@med.govt.nz)

24 April 2006

International Trade Mark Treaties Review
Attention: Mr. George Wardle
Ministry of Economic Development
PO Box 1473
Wellington, New Zealand

Re: INTA’s Submission in Response to
“International Trade Mark Treaties: A Discussion Paper”

Dear Mr. Wardle:

The International Trademark Association (INTA) sincerely appreciates your giving us the opportunity to respond to the New Zealand Ministry of Economic Development’s “International Trade Mark Treaties: A Discussion Paper,” regarding New Zealand’s proposed accession to several multilateral trade mark treaties administered by the World Intellectual Property Organization.

INTA is a not-for-profit membership association of more than 4,900 trade mark owners and professionals from over 180 countries, founded in 1878 and dedicated to the support and advancement of trade marks and related intellectual property as elements of fair and effective national and international commerce. Our members share common interests in the protection of trade marks and the development of trade mark law, and they rely on INTA to represent and advocate those interests in governmental affairs and to foster them throughout the international trade mark community. INTA’s diverse membership includes, among other participants in the global economy, start-up companies, major multinational corporations, intellectual property and general practice law firms, service firms, trade mark consultants and academic institutions. At present INTA has some 17 member firms based in New Zealand.

Enclosed with this letter you will find our paper entitled Submission of the International Trademark Association in Response to the New Zealand Ministry of Economic Development’s “International Trade Mark Treaties: A Discussion Paper.”
Letter to Mr. George Wardle
24 April 2006

Should you have any questions regarding our submission, please contact Ms. Piin-Fen Kok, INTA’s Manager for External Relations, Asia-Pacific, at:

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Again, on behalf of INTA, I thank you for considering our views on these issues. Should you wish to meet with us in person regarding our submission, we would be pleased to have representatives from INTA meet with officials of the Ministry of Economic Development and the Intellectual Property Office of New Zealand at a time and location convenient for you.

Sincerely,

Paul W. Reidl
President

cc: Ms. Piin-Fen Kok
SUBMISSION OF THE
INTERNATIONAL TRADEMARK ASSOCIATION
IN RESPONSE TO THE
NEW ZEALAND MINISTRY OF ECONOMIC DEVELOPMENT’S
“INTERNATIONAL TRADE MARK TREATIES: A DISCUSSION PAPER”

24 April 2006
Acknowledgements

This submission was prepared with the assistance of the following INTA committees and members:

Legislation & Regulation Committee - East Asia & Pacific Subcommittee

Trademark Office Practices Committee - Classification Subcommittee

Barbara Sullivan, Henry Hughes, Wellington, New Zealand
Emerging Issues Committee – Chair

Earl Gray, Simpson Grierson, Auckland, New Zealand
International Amicus Committee – Asia-Pacific Amicus Subcommittee – Chair
TABLE OF CONTENTS

A. INTRODUCTION.............................................................................................................1
   I. About INTA............................................................................................................1
   II. Executive Summary............................................................................................1

B. COMMENTS......................................................................................................................2
   I. The Madrid System...............................................................................................2
   II. The Nice Agreement............................................................................................8
   III. The Trademark Law Treaty...............................................................................10
   IV. Other Issues.......................................................................................................19

C. CONCLUSION.............................................................................................................19
A. INTRODUCTION

I. About INTA

The International Trademark Association (INTA) is a not-for-profit membership association of more than 4,900 trade mark owners and professionals from more than 180 countries, founded in 1878 and dedicated to the support and advancement of trade marks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trade marks and the development of trade mark law, and they rely on INTA to represent and advocate those interests in governmental affairs and to foster them throughout the international trade mark community. INTA’s diverse membership includes, among other participants in the global economy, start-up companies, major multinational corporations, intellectual property and general practice law firms, service firms, trade mark consultants and academic institutions. At present INTA has some 17 member firms based in New Zealand.

For many years INTA has worked closely with the World Intellectual Property Organization (WIPO) to move closer toward harmonisation of trade mark law and practices and, in particular, the harmonisation of formalities of national trade mark offices, resulting in the Trademark Law Treaty 1994, as well as increasingly widespread adoption of the Madrid System for registration of international trade marks, among other initiatives. INTA has advised national trade mark offices around the world on issues regarding adherence to the Madrid Protocol, the Nice Agreement, and the Trademark Law Treaty 1994, and in the near future will be advising them in regard to the recent revisions to the Trademark Law Treaty 1994 adopted last month as the Singapore Treaty on the Law of Trademarks. Further information about our Association can be found at www.inta.org.

II. Executive Summary

INTA wishes to thank the New Zealand Ministry of Economic Development (MED) for the opportunity to comment on its “International Trade Mark Treaties: A Discussion Paper.” INTA’s comments are summarised below, and set forth in more detail in Part B of this submission.

The Madrid System

The Madrid System of international registration of trade marks is of pivotal importance to trade mark owners entering the international commercial arena, and INTA strongly supports New Zealand’s proposed accession to the Madrid Protocol. It creates meaningful access to international trade mark protection for smaller enterprises by substantially reducing costs, and provides a streamlined registration process for trade mark owners of all sizes. The “one-stop” filing mechanism key to the Madrid System has particular value for trade mark owners who cannot afford to retain legal counsel around the world to file and prosecute separate applications in each country in which protection is needed. Without the Madrid System, smaller enterprises wishing to offer their products and services on the global stage often face a devil’s alternative—a bleak choice between foregoing new prospects in overseas markets or falling prey to trade mark pirates and opportunists. Larger
New Zealand corporations also will benefit from New Zealand’s adherence to the Madrid Protocol. With so many products and services to offer so many countries, New Zealand companies large and small will gain substantial trade mark protection leverage thanks to the Madrid System’s “one-stop” approach, greatly enhancing their ability to expand their presence in the global economy. Although New Zealand’s joining the Madrid Protocol would entail administrative changes within the Intellectual Property Office of New Zealand (“IPONZ”), we believe those changes should be reasonably manageable at reasonable cost, and that Madrid Protocol accession would entail comparatively few amendments to New Zealand’s Trade Marks Act 2002 and Trade Marks Regulations 2003.

**The Nice Agreement**

INTA also supports New Zealand’s accession to the Nice Agreement, formalising New Zealand’s adoption of the Nice Classification, for the reasons articulated in the MED’s Discussion Paper and set forth in further detail below.

**The Trademark Law Treaty**

INTA enthusiastically endorses the aims of the Trademark Law Treaty 1994, and of the Trademark Law Treaty 2006 text analysed in the Discussion Paper, to streamline and harmonise trade mark office procedures, enabling trade mark owners and practitioners to focus on protection and defence of marks by eliminating pointless paperwork and unnecessary costs. INTA has not yet adopted an official policy position vis-à-vis the final version of the Trademark Law Treaty 2006 adopted at the diplomatic conference concluded last month on the subject as the Singapore Treaty on the Law of Trademarks, as we have not yet completed our review and analysis of the treaty text. Our comments below thus address the question of whether New Zealand should amend its Trade Marks Act 2002 and Trade Mark Regulations 2003 to adopt the standards identified in the Trademark Law Treaty 2006 draft text analysed in the Discussion Paper. We believe New Zealand should do so, and we respectfully request that the MED allow INTA to submit its comments on the issue of New Zealand’s accession to the Singapore Treaty at a later date.

**Other Issues**

INTA concurs in the Discussion Paper’s suggestion that Section 81 of the Trade Marks Act 2002 not be retained, as it no longer has any practical implications and is thus an unneeded provision.

**B. COMMENTS**

**I. The Madrid System**

The Madrid Agreement concerning the International Registration of Marks (the “Madrid Agreement”) and the Protocol relating to the Madrid Agreement (the “Madrid Protocol”) constitute the “Madrid System” administered by WIPO, providing for the international registration of trade marks. Any country that is a party to the Paris Convention, such as New Zealand, may join the Madrid Agreement or the Madrid Protocol or both. The Madrid Protocol was adopted in 1989 and entered into force in December 1995. Under the Madrid
Protocol, an application for international registration can be based on a pending trade mark application filed in the country of origin. Applications for international registration are administered by WIPO’s International Bureau. As of April 2006, 78 countries are members of the Madrid Union, composed of parties to the Madrid Agreement and/or Madrid Protocol, and they include, as the MED notes in its Discussion Paper, all of New Zealand’s leading trading partners. For instance, Japan acceded to the Madrid Protocol in March 2000, Australia in July 2001, the United States in November 2003, and the European Union in October 2004.

We respond here to Questions 1-4 raised in the Discussion Paper (quoted below in italics):

1. What are the benefits for business of New Zealand joining the Madrid Protocol? Please quantify if possible. How might the benefits for a New Zealand business differ when compared to foreign business?

The comparative advantages and disadvantages of a New Zealand trade mark owner using the Madrid System in various circumstances are aptly summarised in paragraphs 41 through 49 of the Discussion Paper. These clearly weigh in favour of Madrid Protocol accession, to make the Madrid System an option available to New Zealand filers seeking to extend protection overseas as well as to overseas filers seeking to extend protection to New Zealand.

We wish to note here, in regard to the disadvantage mentioned in paragraph 48 regarding scope of specifications of goods and services, that this is a potential disadvantage more applicable to non-New Zealand filers, particularly those in, for instance, the United States or Canada. The scrutiny of the scope of specifications of goods and services in trade mark applications by IPONZ, although fairly rigorous, is less rigorous than that in the United States or in Canada, while being more rigorous than in European jurisdictions. The problem of the scope of specifications of goods and services of International Registrations is one that is faced by filers in every country of origin, and indeed it is also faced by filers under current national trade mark systems. The national law of the office of origin is the crucial factor, and in this regard a New Zealand scope of specifications provides a comparatively advantageous basis for a Madrid System filing.

New Zealand’s accession to the Madrid Protocol would significantly broaden participation in this rapidly expanding system for the international registration of trade marks, consonant with the New Zealand government’s Growth and Innovation Framework and its goal of engendering an inclusive and innovative economy for the benefit of New Zealanders in today’s global trade environment. At present New Zealand is the only significant developed country other than Canada which is not a member of the Madrid Union, and Canadian accession to the Madrid Protocol is widely anticipated under pending Canadian Intellectual Property Office proposals. New Zealand’s accession would enhance access for New Zealand business to overseas markets through alignment of New Zealand’s laws with those of its trading partners. For instance, accession can be expected to bring New Zealand and Australia nearer, as envisaged by the Closer Economic Relations negotiations and the Trans Tasman Agreement.
New Zealand’s joining the Madrid System would reduce transaction costs associated with the international protection of New Zealand trade marks. Upon New Zealand acceding to the Madrid Protocol, a trade mark owner based in New Zealand would be able to gain protection for its trade mark in as many countries of the Madrid Union as it desires by filing a single application with IPONZ in a single language—English—upon payment of a single set of fees. The resulting registration would yield a single registration certificate with a single registration number and a single renewal date, covering multiple jurisdictions. At present, in the absence of such a centralised system, a New Zealand company can protect a trade mark only by filing in diverse languages through the disparate registration schema of the various jurisdictions where its goods or services are sourced, licenced and/or sold.

Moreover, under the Madrid System still greater economic benefits are realised after an international registration has issued. While changes of name or ownership documents in non-Madrid jurisdictions typically must be filed with each national trade mark office in which the owner has filed, under the Madrid System only one amending document need be filed with WIPO to cover all countries designated in an international registration, dramatically reducing official and professional fees and costs. In addition, the Madrid System would facilitate acquisitions by New Zealand businesses of overseas trade marks.

2. What is the likelihood of a business using the Madrid system, if it was available in New Zealand?

The Madrid System is likely to appeal most to those New Zealand businesses whose goods or services have significant export potential in at least two or more overseas markets. The extent of cost savings of using the Madrid System to extend protection in comparison to resorting to direct national filings depends of course upon the particular jurisdictions involved, since the differential in Madrid System filing fees versus national filing fees varies from jurisdiction to jurisdiction. For example, while a New Zealand enterprise trading solely in Australia without prospect of further overseas expansion would not find the Madrid System cost-effective, a New Zealand vintner exporting its wines or a New Zealand deer farm exporting its venison to Australia, Japan, the United States and Europe, key markets for these premier New Zealand products, would find the Madrid System quite cost-effective. New Zealand businesses sourcing manufactured products overseas, for instance, a New Zealand maker of aquatics-oriented sporting goods and apparel sourcing in China for sale, distribution and licensing in Australia, Japan and the U.S., would also garner substantial savings in transaction costs through the Madrid System.

The benefits of the Madrid System are reciprocal. For example, New Zealand’s accession to the Madrid Protocol, coupled with the European Union’s 2004 accession, would create the option for New Zealand businesses to apply for European Community Trade Marks via the Madrid System based on their New Zealand trade mark applications and registrations and, conversely, the option for European businesses to use their Community Trade Marks as the basis for international applications and registrations extending protection to New Zealand.

Let us assume for discussion’s sake that New Zealand accedes to the Madrid Protocol, and that IPONZ sets its certification fee on an international application for one class at NZ
$160. Now assume a New Zealand trade mark applicant seeks protection overseas for one International Class of goods/services, and that the reproduction of the mark is not in colour. Further assume, for discussion’s sake, that the New Zealand applicant can find a well-qualified and willing New Zealand trade mark practitioner to handle a Madrid application for professional fees of NZ $1,200 for a single-class filing.

As can be seen from the chart below, the official fees saving under Madrid is very substantial when the applicant seeks protection covering New Zealand's three major trading partners plus China, and the professional fees saving will also be quite large. If we limit the initial extension of protection to two overseas jurisdictions, the official fee and professional fee differentials will vary depending which two jurisdictions are chosen. The official fees saving is very substantial if the New Zealander goes for coverage in Europe plus one other country, and the professional fees saving will be large. In the two-jurisdiction permutations of Japan plus Australia or Japan plus the U.S., the Madrid fees are marginally higher, but because of the comparatively high professional fees associated with trade mark filings in Japan, the applicant ends up ahead of the game under Madrid, because prevailing Japanese professional fees at the time of application for one class would come to around NZ $1,200, so the applicant under Madrid saves approximately the amount of the outlay it would otherwise have had to make for Australian or U.S. professional fees plus the fees the applicant's New Zealand agent would charge to act as coordinating agent. In the two-jurisdiction permutation of Australia and the U.S., the Madrid fees are somewhat higher than the direct national filing fees, but even here, the New Zealand applicant will save because the difference in official fees plus the NZ $1,200 professional fees for a Madrid filing are going to be less than the sum of Australian and U.S. professional fees plus what the applicant's New Zealand coordinating agent would charge.

**Pro Forma Madrid versus Direct Comparison (NZ$)**

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<td><strong>$1,392</strong></td>
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1 International Class
Applies rates based on e-filing throughout
Includes back-end registration fees for Japan, European Community, Australia
Exchange rates:
1 Swiss franc = 1.25 NZD
1 AUD = 1.18 NZD
1.00 USD = 1.6 NZD
1 Euro = 2.0 NZD
1 NZD = 75 Japanese Yen
1 NZD = 5 Chinese Yuan
In any three- or four-jurisdiction permutation of the five jurisdictions listed above, or permutations adding other Madrid members such as Singapore, the official fees saving differential in favor of Madrid will increase, as will the professional fees saving. Moreover, the European Community fees above remain the same for up to three classes, so it may be revealing to run two-class and three-class examples, and may be worth pointing out that a one-class New Zealand applicant, if opting for direct filing, could file for three classes on a direct CTM for the same fee.

Finally, the fee trade-off above should not be considered in a vacuum, as it is one factor of several which the applicant should take into account in opting for Madrid versus direct filings. One other factor is the greater cost saving on, for example, amendment applications, after the international registration has been obtained. Suppose a company has 1,000 trademark registrations in 10 countries and needs to make an amendment due to a simple change in address. Without the Madrid Protocol, that would require 10,000 amendment applications being filed at costs in the thousands of dollars. Under the Protocol, only one amendment application needs to be filed with WIPO at a cost of 150 Swiss francs, or less than NZ $190.

The Madrid Protocol thus makes international trade mark protection a viable reality for smaller companies, leveraging their trade mark protection budgets through its “one-stop” filing mechanism. Larger New Zealand corporations would also benefit from accession to the Madrid Protocol, enhancing their competitiveness in overseas markets as they expand their presence in the world economy. Simultaneously, New Zealand’s joining the Madrid Protocol would enrich and diversify the competitive environment at home, as increasing numbers of overseas brand owners establish their New Zealand trade mark presence via the Madrid System.

New Zealanders’ comfort level in use of the Madrid System would likely be a gradual but steady process, as New Zealand trade mark practitioners gain hands-on familiarity with the international registration process as it affects their clients’ trade mark interests at home and abroad. Ultimately it would be the trade mark owner’s option, aided by trade mark counsel’s strategic guidance, to choose on a case-by-case basis whether to file direct national and regional applications, or to take advantage of the alternative filing mode which the Madrid System enables.

3. Are there any reasons why New Zealand should not join the Madrid Protocol?

New Zealand should join the Madrid Protocol, provided the process is so managed that the administrative costs directly associated with Madrid enablement are recouped in benefits to New Zealand businesses and to the New Zealand economy within a reasonable time horizon. Though Madrid Protocol accession would entail some administrative changes within IPONZ, we believe accession should require comparatively few amendments to New Zealand’s Trade Marks Act 2002 and Trade Marks Regulations 2003. For example, as discussed above, New Zealand already adheres to the Nice Classification, one key prerequisite to Madrid Protocol accession, and New Zealand’s extension of term of registration to ten years under the Trade Marks Act 2002 already satisfies another key
prerequisite to accession. INTA stands ready to consult with IPONZ in areas in which
IPONZ may wish our input to help ensure a successful and cost-effective transition process.

4. What social or environmental impacts may arise from joining the Madrid Protocol?

None, aside from the downstream benefits from the contribution to the internationalisation
of the New Zealand economy of the sort described above.

II. The Nice Agreement

INTA submits that New Zealand should accede to the Nice Agreement, formalising its
long-standing use of the Nice Classification and joining the 76 countries currently party to
the Nice Agreement. We offer below suggestions how IPONZ might best reclassify the
1,500 “Third Schedule” registrations which pose the sole significant transitional hurdle.

Responding to Questions 5-7 raised in the Discussion Paper (quoted below in italics):

5. How important is it for New Zealand to be part of and to be able to contribute to any
review and development of the Nice Classification at WIPO? Should New Zealand join
the Nice Agreement?

New Zealand should be a member of the Nice Agreement so that it has the opportunity to
contribute to the classification guidelines. It is important for New Zealand to be able to
participate in classification decisions affecting New Zealand businesses in key sectors such
as, e.g., agricultural products. Moreover, with rapid global advances in technology and
converging products, it will be increasingly useful to all users of the Nice Classification to
hear contributions regarding classification from more Nice Agreement members reflecting
a broader cross-section of the world economy.

Although major changes in the Nice Classification system are somewhat infrequent, it
would be beneficial for New Zealand to participate in future review and development of
major changes when they do occur, and also contribute to the more frequent though less
major changes. If New Zealand continues to refrain from participating, New Zealand
trademark owners will continue to be without a voice in matters that may be of particular
importance from their perspectives. For example, there may be issues resulting from New
Zealand vernacular not used elsewhere, or unique New Zealand products, which would be
best addressed through New Zealand's direct participation. The more inclusive the
participation, the better prospects to achieve a truly uniform system of classification that
serves New Zealand’s interests. Since New Zealand already employs the Nice
Classification system, it is most appropriate that New Zealand play a role in the system’s
future development, rather than merely follow the lead set by other countries.

6. Given that use of the Nice Agreement is mandated by the Madrid Protocol, would the
case for New Zealand joining the Nice Agreement be any greater if New Zealand joined
the Madrid Protocol? If so, in what way?

If New Zealand joins the Madrid Protocol, its interest in participating in the review of the
Nice Classification system will increase, since New Zealand trademark owners will be held
to the Nice Classification system when filing applications under the Madrid Protocol. As such, joining the Madrid Protocol strengthens the case for New Zealand joining the Nice Agreement. By doing so, New Zealand would increase consistency and certainty with respect to how its registrations are classified, which in turn should encourage foreign trademark owners to designate New Zealand when filing under the Madrid System.

7. If New Zealand wanted to join the Nice Agreement, how could the conversion of the specifications of the 1,500 Third Schedule registrations into the Nice Classification be best progressed in a timely manner? For example, should the Regulations allow the Commissioner of Trade Marks to initiate the process of conversion?

There are several possible approaches to conversion, involving differing trade-offs in terms of who bears the burden of reclassifying, who should pay the cost of the exercise, and when the exercise should take place.

Immediate conversion of the 1,500 Third Schedule registrations would be efficient in terms of facilitating the public’s and IPONZ’s trade mark searches going forward, and this might be effectuated through a procedure along the following lines:

(i) set up a special unit within IPONZ to manage the conversion process;

(ii) issue office actions to all Third Schedule trade mark owners affording a 6-month window voluntarily to respond, at no fee or at a nominal fee, as to how they wish their registrations to be reclassified;

(iii) upon expiration of the initial 6-month window, notify each non-responding owner of IPONZ’s proposed reclassification, affording a further 6-month window to respond thereto, after which the IPONZ proposed reclassification would govern, subject to a fair but limited right of appeal.

This approach or variants of it would entail a significant initial investment of time and resources by IPONZ and high costs to the affected trade mark owners. Other trade mark owners and New Zealand businesses would be affected if the costs were passed on to them by IPONZ in the form of increased fees. Although all trade mark owners can benefit from harmonisation with only one classification system to deal with, the benefit would be comparatively greater for Madrid applicants, so it is important to ensure that non-Madrid users are not unfairly burdened in the process.

An alternative approach—reclassification at renewal—may have merit here given that a considerable proportion of the Third Schedule registrations are so old that a significant number of them can be expected to be culled out naturally when they come up for renewal. This procedure was successfully utilised by the Japan Patent Office during its conversion process. Under this approach the effort need not impose significant extra financial burden on the registrants affected.

There are likely to be some registrations where re-classification will increase (or possibly decrease) the number of classes in which the mark is registered. New Zealand's renewal fees are linked to the number of classes covered by a registration. As things currently
stand, therefore, re-classification would increase renewal fees for those registrations where the number of classes is increased. There are a number of options for dealing with this:

(i) require the owner to pay the renewal fees attributable to the re-classified classes under the Nice Classification, on the basis that the owner will have had the benefit of lower renewal fees than other owners in the past and should for the future be in the same position as other owners;

(ii) provide the owner with "grandfathered" relief from the increased fees for future renewals, as the change has been "forced" upon the owner and the owner may well have had to incur costs for professional fees to advise about the changed status;

(iii) provide the owner with one-off relief from the increased fees at the next renewal.

Option (iii) would fit well with re-classification on renewal.

In any event, New Zealand’s trademark profession should readily be able to handle reclassifying clients’ registrations, since they have been doing so for over six decades and they are familiar with the Nice Classification. Nor should the burden on IPONZ be inordinate, given its computerised trademark data and search capabilities. The 1,500 Third Schedule registrations are relatively few in number compared to the number of registrations that have been reclassified in other countries, in some cases, such as at the USPTO in the 1970s, before the availability of computer processing.

III. The Trademark Law Treaty

The Trademark Law Treaty adopted in Geneva in 1994 (the “TLT 1994”) harmonises and simplifies formal administrative requirements of the national trade mark offices of signatory countries by establishing standards for registration and renewal of trade marks. Article 15 of the TLT 1994 requires that contracting parties comply with the provisions of the Paris Convention concerning trade marks. At present 33 countries are party to the TLT 1994.

Over the past several years WIPO’s Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications developed a set of proposed amendments to expand the TLT 1994 in certain regards, as outlined succinctly in the Discussion Paper, and prepared a proposed draft treaty text (the “TLT 2006”) for consideration at the diplomatic conference concluded last month on the subject in Singapore. A revised draft treaty and related regulations were adopted by the diplomatic conference on 27 March 2006, and the new treaty will be known as the Singapore Treaty on the Law of Trademarks (the “Singapore Treaty”).

INTA has been an enthusiastic supporter of the TLT 1994. We also anticipate concurring in large part with the changes to the TLT 1994 contained in the Singapore Treaty. However, INTA has not yet completed its full review and analysis of the final treaty document. We trust the MED will also be reviewing the Singapore Treaty in considerable
detail. Our comments below therefore focus on the question of whether New Zealand should amend its Trade Marks Act and Trade Mark Regulations 2003 to adopt the standards identified in the TLT 2006 draft text analysed in the Discussion Paper. We respectfully submit that New Zealand should do so.

1. **Proposed Adoption of TLT 2006 Standards**

As the Discussion Paper notes, New Zealand’s trade marks legislation already anticipates a number of standards envisaged by the TLT 2006, and we concur in the MED’s assessment that implementation of the remaining standards set forth in the TLT 2006 would require relatively minor amendments to New Zealand’s Trade Marks Act 2002. For example, the extension of term of registration to ten years under the Trade Marks Act 2002 has already brought New Zealand’s system in line with those of its major trading partners and, as noted above, satisfies a key Madrid Protocol prerequisite. Yet the Discussion Paper identifies three areas in which the Trade Marks Act 2002 would need amendment in order to conform to certain standards set forth in the TLT 2006 (and carried forward in the Singapore Treaty as adopted), in regard to change of ownership, relief measures upon failure to comply with time limits, and registration of licensees. INTA supports those proposed amendments to the Trade Marks Act 2002 for the reasons set out below.

The Trademark Law Treaty aims of simplification and international harmonisation of trade mark office procedures are laudable. The myriad requirements and formalities of over two hundred trade mark regimes around the world impose extremely burdensome costs in time and money for trade mark owners. Registration procedures in some jurisdictions are so onerous and complex, that they become a threat in and of themselves to the very intellectual property rights they were implemented to protect. Streamlining and harmonising trade mark office procedures enables trade mark owners and practitioners to focus on protection and defence of marks, eliminating pointless paperwork and reducing costs, a critical goal for smaller business owners working on limited budgets with limited resources.

Simplification and standardisation will help level many of the hurdles New Zealand trade mark owners must at present contend with when seeking protection in foreign countries, and vice versa. In particular, the suggested amendments outlined in the Discussion Paper to New Zealand’s Trade Marks Act 2002 and Trade Mark Regulations 2003 in the areas of change of ownership, relief measures in case of failure to comply with time limits, and registration of a person as a trade mark licensee, should be adopted. We comment on those three proposals in the context Questions 8-25 raised in the Discussion Paper (quoted below in italics):

**a. Change of Ownership**

8. **Should the change of ownership provisions under the Trade Marks Act and the Regulations be aligned with the approach specified in the TLT 2006? If so, what would be the benefits or costs of doing so?**

Yes. The proposal to align the recordal of change of ownership provisions with the approach taken in the TLT 2006 would significantly facilitate recordal and change of
ownership of trade marks, whether registered or the subject of pending applications. It is an advantage to allow either the assignor or the assignee to apply for recordal of a change of ownership, as long as that party identifies its role in the assignment.

9. How would adopting the change of ownership provisions specified in the TLT 2006 change the compliance costs associated with registering a change of ownership under the Trade Marks Act?

The proposed changes would reduce compliance costs for trade mark owners, and would benefit all by creating a more expeditious process.

10. Under what circumstances, if any, should the original owner be permitted to apply to the Commissioner to register a change of ownership of a trade mark?

The original owner should be permitted to apply to the Commissioner to register a change of ownership, upon providing the original or a certified copy of the pertinent assignment document, and should be allowed to do so through the IPONZ Online Correspondence Services.

11. What proof of title to a trade mark, if any, should be provided to the Commissioner with an application to register a change of ownership of the trade mark? Should such proof differ depending on whether the new owner or the previous owner applied to change the ownership of the trade mark and, if so, in what way?

Documentary evidence of the assignment in the form of an original or certified copy should suffice as proof of title to register a change of ownership. In circumstances where the original or certified copy is not available, a statutory declaration from the relevant party explaining what has happened to the document and verifying the ownership chain may suffice. Such proof should not differ whether the new owner or the previous owner applies for the change of ownership.

12. Where a trade mark is registered in the name of several co-owners and one of the co-owners changes, to what extent, if at all, should the Commissioner have regard to the interests of the existing co-owners?

The Commissioner should not have to inquire into the change, provided section 82(3) in regard to proof of the changed co-owner’s title is satisfied.

13. Is it necessary for the Commissioner to know the effective date that the change of ownership took place when considering a request to change the ownership of a trade mark? Should this date be available on the trade marks register?

It should not be necessary for the Commissioner to know the effective date of change of ownership, as this should be a matter of proof for the new owner in the event it needs to enforce the trade mark rights.
14. To what extent, if at all, should the Commissioner have regard to the interests of any licensee when an application is made to change the ownership of a trade mark?

The interests of a licensee upon a change of ownership of a trade mark should be left as a matter between the owner and the purported licensee.

b. Relief Measures in Case of Failure to Comply with Time Limits

15. Should the requirements for requesting and granting an extension of time under regulation 32 be aligned with the requirements prescribed by Article 14 of the TLT 2006? What would be the likely costs and benefits for trade mark owners and third parties of adopting the extension of time regime required by Article 14(2) of TLT 2006?

The noted amendments to Regulations 32, 43 and 62 of the Trade Marks Regulations 2003 discussed in the Discussion Paper would provide more certainty to third parties as well as to trade mark applicants and registrants, and need not increase compliance costs for trade mark owners or third parties. Conformity with Article 14(1) of the TLT 2006 as constrained by Rule 9(4) of the TLT 2006 regulations appears to offer just relief and does not unduly impact on third parties. The current provision of Warning of Abandonment Notices by IPONZ provides a trade mark applicant with the opportunity to either put the application into an acceptable form or to seek further time within which to do so. The minimum time limits set out under Rules 9(1), 9(2) and 9(3) of the TLT 2006 regulations give adequate time to the party seeking "belated" relief to do so and to make out a case satisfying the requirements of Article 14(2). Further, the setting of defined time limits allows third parties certainty as to whether an action meant to be done can be done belatedly and provides a temporal framework for ascertaining that.

16. If New Zealand were to adopt the requirements prescribed by Article 14 for extensions of time, which of those exemptions identified in Rule 9(4) of the TLT 2006 (see paragraph 85 above) should apply under the Trade Marks Act and why?

We suggest that none of the exemptions should apply in unconditional form, but that in instances such as those concerning filing dates and priority claims, relief should be subject to conditions such as obvious error or circumstances beyond the control of the party seeking relief. The rights of third parties as well as those of the party seeking relief are factors that should be taken into account in deciding on whether to apply any of the exemptions mentioned in Rule 9(4).

17. Under what circumstances would maintaining the prohibitions under Regulations 43 and 62 against a request for an extension of time being made after the expiry of the time limit concerned be justified?

While Regulation 43 (allowing one month from application date for adding an additional class) in its present form creates certainty as to the scope of an application in terms of classes covered, it can lead to loss of rights where there is a resulting dispute as to classification of goods or services in an application. There should be an exception in the event of an obvious error on the part of IPONZ or the trade mark applicant which results in
goods or services being wrongly classified or deleted from the application. A further exception could be justified where there is a genuine dispute between IPONZ and the trade mark applicant, provided the applicant notifies IPONZ of the dispute within two months of the IPONZ compliance report in which IPONZ objected to the applicant's classification. The time limit would in such a case be extended to one month after the dispute is resolved or IPONZ notifies the applicant of its final decision on the issue.

While classification is not determinative in assessing whether goods or services are the same or similar for the purpose of section 25 (application/opposition) and section 89 (infringement), a trade mark owner could suffer inconvenience and expense if its trade mark, or that of another, is wrongly classified. Note that under section 76 (rectification of the Register) it appears the Commissioner has no power to initiate a correction of an error in the register, and under section 31 the Commissioner’s decision on a classification matter is final.

With reference to Regulation 62 (allowing an extension/extensions for responding to non-compliance notice if application for extension made before original non-compliance deadline expires), Regulation 62(3) should be deleted. This provision is overly harsh, for instance, in the event a non-compliance letter from IPONZ goes astray if a trade mark application goes abandoned and the trade mark is in use. The deadline set for a response is entirely at the discretion of the IPONZ examiner. There may be substantial matters involved which require more time.

18. If a person has already requested and been granted an extension of time for completing an outstanding action, under what circumstances, if any, should that person be permitted to request further extensions of time to complete the outstanding action?

We suggest that the person be permitted to demonstrate why the action could not be completed in the extended time allowed, together with any other circumstances (such as public interest in the case of an opposition) why the time should be extended. There could be valid reasons for further time and, for example, the application may concern a trade mark which is in use and may be being prosecuted diligently.

19. Instead of the Trade Marks Act providing for extensions for time, should provision be made for other forms of relief measures to be provided in accordance with Article 14, such as continued processing or reinstatement of rights? If so, under what circumstances should these other forms of relief measure be made available?

We suggest continued processing in examination as a preferred form of relief. In essence, each of the forms of relief mentioned amounts to some sort of an extension of time available for processing an application. An extension of time should in general be provided for when the applicant can show reasons for not complying on time and delays at IPONZ have not contributed to that. In cases of delays at IPONZ outside what IPONZ usually provides, or which significantly eat into the 12 month+ processing period provided for an application, IPONZ should be required to offer an additional period to give the applicant the benefit of the entire period for processing an application and/or such additional time beyond the initial 12 month period as may reasonably be required.
Reinstatement should be automatic if an error or other failure at IPONZ has caused the application to be marked off as "abandoned".

Parallel relief should apply to other proceedings, such as oppositions, applications for declarations of invalidity and revocation actions. INTA can provide more detailed comment on specific time limits in due course, if that would be useful.

20. Should a fee be paid when a request for an extension of time is made to recover the Commissioner's administrative costs of processing the request?

We do not recommend charging of a fee for processing a request for extension of time.

c. Registration of a Person as a Trade Mark Licensee

21. Should New Zealand's licensing regime be amended as proposed above? What concerns would you have if the proposed licensing regime was adopted under the Trade Marks Act? How might those concerns be addressed?

Yes, we endorse the proposal set forth in the Discussion Paper to align the licensing provisions under the Trade Marks Act with the TLT 2006, whilst also aligning them with the equivalent provisions under the Australian Trade Marks Act 1995. We concur that voluntary registration of licences is preferred as it reduces costs to both trade mark owners and licensees.

22. What would be the benefits of aligning the licensing provisions of the Trade Marks Act with those under the Australian Trade Marks Act 1995?

Provisions adopted under the Australian Trade Marks Act 1995 give unregistered licensees in Australia a greater role in contending with counterfeit goods and infringement and in protection of their interests. Provided this is limited to exclusive licensees, an equivalent provision could be included in New Zealand. Extending this beyond exclusive licensees does not appear to be justified.

If a licence has been recorded, the Commissioner of Trade Marks has at least three options in relation to an assignment (or proposed assignment) of the trade mark: (i) to not notify the licensee of the assignment; (ii) to notify the licensee of the assignment after it has been recorded; (iii) to notify the licensee of the assignment before recordal. Under the Australian Trade Marks Act 1995, the third route is taken and a licensee then has the opportunity to object within two months to recordal of the assignment. This does have the potential, however, to delay recordal of assignment significantly. Also, such issues are the subject of the contractual arrangements between the parties, and are perhaps best left to dispute between the parties in another forum better placed to deal with such issues, such as the Courts or (if the licence arrangements provide for this) arbitration. Our view, therefore, is that option (ii) is best in this case, and as noted under question 14 above the interests of a licensee upon a change of ownership of a trade mark should thereafter be left as a matter between the owner and the purported licensee.
23. What supporting documents should either the owner or the licensee, if any, be required to provide to either have a licence voluntarily registered on the register or to alter or cancel an existing registration of a licence?

A copy of the licence (suitably redacted) should be sufficient. The current requirement under section 83(2) of a statutory declaration by the owner (or licensee) may also be sufficient. In the case of a statutory declaration by a licensee, the licensee should also declare that it is entitled to be recorded as licensee. In general, however, INTA believes national trade mark offices should not impose legalization requirements on requests for registration of a licence, amendments or cancellations.

24. What role, if any, should the Commissioner of Trade Marks play in disputes between a trade mark owner and a person voluntarily registered as a licensee over the amendment or cancellation of that person’s registration as a licensee?

We do not believe that the Commissioner need play a role in disputes over amendment or cancellation of a registration of a licence. The Intellectual Property Office may not be the best forum for such disputes as the issues involved may relate to commercial and contractual matters not within the purview of the Intellectual Property Office. The Commissioner should act on material which satisfies the requirements of the Act and Regulations, with subsequent reinstatement etc (if any) to be addressed in a different forum.

25. Should the provisions under section 87(2)(c) of the Trade Marks Act allowing third parties to apply to cancel the registration of a licence be repealed? If not, why not?

We believe that the provisions under section 87(2)(c) should be retained. The applicant for cancellation has to provide evidence in support of its case, and both parties have the right to a hearing under section 176 and Regulation 155 before the Commissioner exercises the discretionary power to cancel.

2. Accession to the TLT 2006 Treaty

We respond here preliminarily to Questions 26-30 raised in the Discussion Paper (quoted below in italics) in the context of the very recent adoption of the Singapore Treaty:

26. If the Trade Marks Act were to be brought into conformance with the standards and requirements of the TLT 2006, should New Zealand accede to the TLT 2006?

Because the Singapore Treaty is less than a few weeks old, INTA has not yet had an opportunity to analyze it and obtain Board endorsement of its provisions. We trust the MED will be reviewing it in detail as well. We therefore respectfully request that the MED allow INTA to submit its comments on the issue of New Zealand’s accession to the Singapore Treaty at a later date. In the interim, we wish preliminarily to note the following key differences between the treaty as adopted and the TLT 2006 text analysed in the Discussion Paper, which we believe merit the MED’s attention.
a. Admission to Practice Before National Trade Mark Offices

In response to a proposal during the diplomatic conference that there be language in Article 4(1)(a) allowing national trade mark offices to regulate trademark agents/representatives, Article 4(1)(a)(i) was revised to provide that any Contracting Party may require that a representative appointed for the purposes of any procedure before the Office have the right, under applicable law, to practice before the Office in respect of applications and registrations and, where applicable, be admitted to practice before the Office.

b. Single Registration for Goods and/or Services in Several Classes

The Treaty retains language in Article 6 of the TLT 2006 allowing a single application for a single registration of goods and/or services belonging to several classes of the Nice Classification. However, a reservation was added to Article 29 to the effect that any State or intergovernmental organization (IGO) whose legislation at the date of adoption of the Treaty provides for one multi-class registration system for goods and another one for services may, when acceding to the Treaty, declare through a reservation that Article 6 shall not apply.

c. Substantive Examination on Occasion of Renewal

Article 13(4) provides that no Office of a Contracting Party may perform substantive examination of a registration for the purposes of a renewal. A clause was added to Article 29 of the final revised treaty to allow any State or IGO to declare through a reservation that, notwithstanding Article 13(4), the Office may, at the first renewal of a registration covering services, examine such registration as to substance, provided that such examination be limited to the elimination of multiple registrations based on applications filed during a period of six months following the entry into force of the law of that State or organization that introduced, before the entry into force of this Treaty, the possibility of registering service marks.

d. Role of the Assembly

Article 25(2) of the TLT 2006 was deleted in conference, meaning that the Assembly will not have power to amend provisions of the main Treaty, and its role will be limited to the ambit of Article 23(2), that is: (i) deal with matters concerning the Treaty; (ii) amend the Regulations, including the Model International Forms; (iii) determine the conditions for the date of application of each amendment referred in item (ii); and (iv) perform such other functions as are appropriate to implementing the provisions of the Treaty. Under Article 25 as revised, the Treaty may be revised or amended by diplomatic conference.

e. Entry Into Force and Voting Rights

The Singapore Treaty by its terms will enter into force three months after 10 States or IGOs have deposited their instruments of ratification or accession, increased from five signatories in the TLT 2006.
f. **Supplementary Resolution**

Also adopted in conference was a Resolution supplementary to the Treaty, essentially stating that:

- The words “procedure before the Office” in Article 1(viii) would not cover judicial procedures under the Contracting Parties’ legislation.

- Articles 2 and 8 do not impose any obligations on Contracting Parties to register the “new types of marks” (i.e. three-dimensional mark, hologram mark, motion mark, color mark, position mark, mark containing non-visible signs) mentioned in Rule 3, paragraphs (4), (5) and (6) of the Regulations, or to implement electronic filing or other automated systems.

- Developing countries, primarily the least developed countries, should benefit from technical assistance in order to facilitate their implementation of the Treaty.

The implications of the Resolution on the implementation of the Singapore Treaty need further analysis.

**27. Under what circumstances would it not be in New Zealand's interests to accede to the TLT 2006?**

Based on our preliminary analysis of the Singapore Treaty, we are not aware of circumstances in which it would be contrary to New Zealand’s interests to accede.

**28. What would be the likely economic impact for New Zealand from acceding to the TLT 2006?**

Given our conclusion above that New Zealand should amend its Trade Marks Act and Trade Mark Regulations 2003 to adopt the standards identified in the TLT 2006 draft text analysed in the Discussion Paper, we do not see any negative economic impact for New Zealand from acceding to the Singapore Treaty. Adoption of the standards would benefit New Zealand businesses who own trademarks, and that would have only a positive economic impact.

**29. In what way would trade mark owners be expected to benefit from accession?**

Given our conclusion above that New Zealand should amend its Trade Marks Act and Trade Mark Regulations 2003 to adopt the standards identified in the TLT 2006 draft text analysed in the Discussion Paper, we do not see significant changes for New Zealand trade mark owners from acceding to the Singapore Treaty aside from the less tangible benefits from the related contribution to the internationalisation of the New Zealand economy of the sort described above in relation to Madrid Protocol and Nice Agreement accession.
30. What social or environmental impacts may arise from joining the TLT 2006?

There would be none, aside from a contribution to the internationalisation of the New Zealand economy of the sort described above in relation to Madrid Protocol and Nice Agreement accession.

IV. Other Issues

Finally, we respond to Questions 31-32 raised in the Discussion Paper (quoted below in italics) as follows:

31. Should section 81 providing for the Commissioner to issue a certificate of validity be repealed?

Yes, section 81 should be repealed. As pointed out in the Discussion Paper, it now has no practical implication and is an unnecessary complication.

32. What would be the benefit of retaining section 81?

We see no benefit of retaining section 81.

C. CONCLUSION

INTA thanks the MED for the opportunity to comment on its Discussion Paper regarding New Zealand’s proposed accession to the international trade mark treaties analysed therein. Trade marks are vitally important to New Zealand businesses and to those who do business in New Zealand. The proposals currently being considered would increase the protection of trade marks in New Zealand, and that can have only positive economic effects. INTA stands ready and willing to work closely with the MED and IPONZ on the issues arising from New Zealand’s proposed accession to these international trade mark treaties, as well as any other future trade mark issues on which you may wish our assistance.