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

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

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| | |
|-------------------------------------|----------------------------|
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About AJ Park

These submissions have been prepared by AJ Park. AJ Park is a leading provider of intellectual property services in Australia, New Zealand and the Pacific region.

We service the intellectual property needs of New Zealand and international clients, protecting their intellectual property rights in New Zealand, the Pacific Islands and abroad.

Our clients therefore include local clients with an interest in protecting New Zealand geographical indications (GIs) both here and abroad, and international clients with an interest in protecting their GIs in New Zealand.

With the exception of the local wine industry, which has a long-established interest in GIs because of geographical labelling on wine, in our experience, GIs are not a branding tool often adopted by New Zealand businesses or industry groups.

This is probably largely historical in part. New Zealand businesses in general look to trade mark rights as the primary means of protection for their branding. And outside wine, in our observation, there is not an obvious New Zealand industry that would significantly benefit domestically from the addition of an intellectual property tool that allows for collective protection of a geographical term. Those that rely on geographic terms for part of their branding, are protected by existing consumer protection tools.

Expanding the New Zealand GI registration system beyond wines and spirits is, based on current information, unlikely to service many New Zealand businesses or industry groups. The benefit will largely be felt by overseas producers from countries that have a history of geographical indication protection in their home country with an interest in the New Zealand market.

If the discussion was, absent the EU interest, whether New Zealand businesses want or need the geographical registration system beyond wines and spirits, the answer would probably be no, and the cost of implementing such a regime would probably be unjustifiable especially as we have other legal tools available for protection.

There is the unknown future potential of how New Zealand businesses might utilise the GI registration system, including for Māori business and industry groups. However, based on our current understanding of New Zealand businesses and their engagement with branding and geographical labelling, an expanded GI registration system is unlikely to have many New Zealand-based applicants, at least in the short to medium term.

With this context, we provide comments on some of the questions below.

| | Section | Question |
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| 1 | <i>Registration of geographical indications</i> | Are there products other than wines and spirits being produced in New Zealand that are labelled with a name that indicates the products have a characteristic that is essentially attributable to its geographical origin? Are any of these products being exported and, if so, to where, and what export revenues do these products generate for New Zealand producers? |
| | Please see our general comments above. | |

| | Section | Question |
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| 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? |
| | | Please see our general comments above. |
| 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? |

For the most part, in our observation, the effect of a GI registration system being implemented in New Zealand beyond wines and spirits will be either neutral or negative for most New Zealand producers and consumers.

However, this will depend on how protection is afforded to GIs and whether there is a suitable vetting system that does not unduly burden New Zealand producers and consumers.

Our expectation is that, for the most part, GIs afforded registered protection in New Zealand will be of an overseas origin. Of those that are registered in New Zealand, for the most part, we expect that they will have no or little impact on New Zealand consumers whether or not they are registered in New Zealand. The two key exceptions are:

1. If GIs are allowed for protection in New Zealand that are considered generic terms in New Zealand.
2. If GIs are allowed for protection that negatively affect legitimate trade mark rights held by New Zealand producers.

The current registration regime mostly has tools in place to ensure that checks and balances are in place, but given the main interest in the registration regime will come from overseas sources, there is a risk that part of the cost of providing the checks and balances – i.e. through the opposition process – will fall on New Zealand producers who will need to monitor applications and oppose those that they consider will be likely to cause issue.

A registration system does not require the same protection to be afforded to all goods. That is, our international obligations under TRIPS requires a certain protection to be afforded to wines and spirits. TRIPS does not require a registration system for geographical indications. If a country chooses to implement a registration system, it could still choose to implement different levels of protection depending on the type of product i.e. wines/spirits vs other products.

A primary objective of the recognition of protection for geographical indications in the TRIPS agreement is to protect consumers from being misled or deceived. The additional level of protection afforded to wines and spirits goes beyond that objective. A significant risk is that the application of this extended protection is not clear – e.g. what it means to be a translation is not clearly defined – and the consequence of that ambiguity falls on the New Zealand producer who becomes uncertain in their ability to label a product, or who might face claims or litigation the outcome of which can ultimately only be determined by a court after significant time and cost.

It will be important that the scope of the protection is clear so that New Zealand producers know whether their activity falls within or without the scope of the protection. It would be helpful if the New Zealand producer had the opportunity to comment, request a qualification or oppose before on the scope of that protection before registration is granted.

If the scope is not clear, then the potential cost to producers to rebrand and/or re-educate consumers about trade marks or descriptive terms could be significant.

From a policy perspective, there remains a question about what an appropriate level of protection is for all goods. We are not aware that a significant burden on New Zealand producers would be

| | Section | Question |
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| | | relieved if the distinction between protection for wines and spirits on the one hand, and foodstuffs on the other, were removed. We do not expect the take-up by New Zealand producers of a GI registration system beyond wines and spirits would be significant. |
| 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? |
| | | In principle, we support legislation providing the scope of the mechanisms intended by the legislation. |
| 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? |
| | | |
| 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? |
| | | |
| 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? |
| | | In principle, we agree with an alignment between trade mark and geographical indications legislation where it is sensible. |
| 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? |
| | | |
| 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? |
| | | We agree with this approach as it would be the simplest basis for implementation. |
| 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? |
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| 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? |

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| 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? |
| | | |
| 13 | <i>Administrative enforcement</i> | What remedies should the courts be able to grant arising from administrative enforcement of GIs and why? |
| | | |
| 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? |
| | | |
| 15 | <i>Other issues</i> Enduring GIs | Are any of the enduring GIs (ie 'New Zealand', 'North Island' and 'South Island') being used by New Zealand spirits producers? If so, who is using them? Please provide examples of use. |
| | | |
| 16 | <i>Other issues</i> 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? |
| | | |
| 17 | <i>Other issues</i> Costs | How might the costs to administer the GIs Act be recovered and from whom? |
| | | In principle, the cost to administer the GIs Act and the registration system should be borne by those that use or benefit from it. |
| 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? |

| Section | Question |
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| | <p>It is important that appropriate checks and balances are in place to ensure that only those geographical indications that warrant protection should be afforded protection in New Zealand.</p> <p>A registration regime with examination and that allows third party opposition, request for qualification and cancellation actions helps establish a familiar structure within New Zealand's known intellectual property laws. A registration regime also provides a mechanisms for the government to recuperate the cost of administering such a regime.</p> <p>We note that the obligation under the NZ-EU FTA is for each party to provide the "legal means for interested parties" to protect certain geographical indications. In our view, good process would still require each of those with an interest in protection in New Zealand to go through a registration process, being the legal means afforded by the agreement.</p> <p>We note that the NZ-EU FTA has a process allowing for the extension of up to 30 geographical indications for protection every three years. It is not clear what that process looks like, whether the interested party would need to go through the registration process in New Zealand. Our concern is that operating an intellectual property protection system outside of established norms in New Zealand will lead to perverse outcomes as either affected parties are not given appropriate notice or the processes adopted by the administrator are outside of normal and known jurisprudence.</p> |