

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

Your name and organisation

Name	
Organisation (if applicable)	Dairy Companies Association of New Zealand
Contact details	

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Name	
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Organisation (if applicable)	
Contact details	

Please choose any of the following you are associated with:

- Iwi / Hapū
- Māori organisation
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DCANZ is a voluntary association of dairy processors and exporters. DCANZ members include Māori businesses. It is estimated that 10% of dairy businesses in New Zealand are under Māori ownership.

Responses to questions

	Section	Question
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?
		<p>DCANZ members have not identified any foodstuffs that they would want to identify as geographical indications (i.e. in having qualities, reputation and other characteristics that have ties to a particular geographic region). As such we see little immediate value in the establishment of a Geographical Indications regime for New Zealand products beyond the existing wines and spirits system.</p> <p>DCANZ holds the view that New Zealand law already provides adequate protection against the misuse of geographical indications through the Fair Trading Act, the common law tort of passing-off and the Trade Marks Act.</p>
2	<i>Registration of geographical indications</i>	Is the inability to register these names under the GIs Act causing any problems and, if so, what?
		The inability to register names under the GIs Act for New Zealand produced dairy products has not caused problems for DCANZ members to date. DCANZ members have protected intellectual property through the use of New Zealand and overseas Trademarks regimes. They consider the protection provided by other existing instruments under New Zealand law ('passing off', the Fair Trading Act, the Trade Marks Act) to be adequate. Within the global dairy market, the desire to seek protection for GIs beyond the internationally agreed (WTO) standard appears to be an objectively almost exclusively pursued by European producers and the EU on their behalf.
3	<i>Registration of geographical indications</i>	What would be the advantages (or disadvantages) of extending the current registration regime to include GIs for food and beverages other than wine and spirits?
		<p>As noted above, DCANZ members have not identified any products they would seek protection of as a Geographical Indication. We therefore see no advantage of extending the current registration regime to include GIs for foodstuffs. We accept however that this may be necessary to implement the outcome of the EU-NZ FTA, and consider that changes should be limited to only those necessary to implement the provisions of the FTA and where appropriate to align with remedies under the Trade Marks Act. This is because the benefit of extended GIs protection falls largely to EU producers and at a cost to New Zealand, including through the costs of administering an expanded regime oriented towards protecting almost 2000 European products.</p> <p>Like any form of Intellectual Property right, a GI requires investment to derive additional value. Lack of clear demand to expand a GIs regime for New Zealand based foodstuffs suggests that additional value gained from registration as a GI or the additional protection it affords is debatable. EU producers of products that have previously been commonly understood as varietal terms with well developed market recognition in New Zealand stand to gain most value from GIs protection in NZ.</p>

	Section	Question
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?
		DCANZ supports the logic – for legal simplicity reasons – that GIs enforcement mechanisms should be housed within the same legislation as GIs protections. We support the preferred Option iii as such. We note however that there is little evidence to suggest that the current regime for enforcing existing protections under the GIs Act is not sufficient and therefore whether it would be sufficient to enforce most of the new enforcement obligations imposed on New Zealand by the EU NZ FTA. In establishing a new and legally comprehensive regime for GIs within the GIs Act, officials should be guided by the principle that the regime should seek to introduce enforcement that goes no further than that required by the FTA – and that ‘effective enforcement’ can be achieved through simple, clear and proportionate mechanisms. The design of this should take into account costs imposed on participants in the system and the speed at which effective resolution to issues can be achieved. This is especially important given the discussion document’s statement (para 96) that “there does not appear to be evidence of regular or ongoing infringement of GIs ... or that infringement of GIs would become common after entry into force of the EU-NZ FTA”.
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?
		The civil enforcement approach chosen should, if possible, take into account cost and administrative simplicity to participants to ensure efficient resolution and fair outcomes for all concerned. As the High Court, being the relevant court for enforcement of other intellectual property law (e.g. the Trade Marks Act), has experience in settling claims of a similar nature, it appears to be the more appropriate court for GIs Act enforcement.
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?
		DCANZ believes that civil action should be limited to an ‘interested person’, which is a legal person with a clear commercial interest in the issue. In normal cases this would be the registrant for the GIs terms. As there is no ‘registrant’ in the FTA for the GIs agreed in the NZ-EU FTA, we support New Zealand defining interested person the registrant for the GI terms in their own domestic market (i.e. the EU), where the original collective GI right was established.
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?

	Section	Question
		Enforcement provisions should be appropriately balanced to meet the requirements of New Zealand's FTA obligations while acknowledging the anticipated low likelihood of infringements of GIs protection and be geared to stopping the most likely form of offending behaviour. With this in mind we would support introducing remedies sufficient to meet the EU-NZ FTA obligations and also which align to the Trade Marks Act to enable erasure and removal of infringing GIs. We do not think that remedies discussed (ordering payment of profits, payment of additional damages, disposal of infringing goods) are necessary or consistent with existing law.
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?
		None.
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?
		Yes – this appears the most simple, effective and easy to implement and the current Customs process works well. The GI owner should be responsible for any bond required by Customs as per the current rules. To avoid misuse, a Customs Notice should only be allowable from a party that was representative of a GI and for consistency with our view on civil administration, we would consider this should be limited to the registrant (and in the case of GIs registered under the EU-NZ FTA, the registrant of the GI in the EU where the original collective GI right was established).
10	<i>Border protection measures</i>	If the border protection measures based on the Trade Marks Act were to be adopted for GIs, what changes (if any) should be made to those measures and why?
		The only changes made should be those required to meet the obligations under the EU NZ FTA.
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?
		Yes, we agree with this approach and note it is consistent with the approach to enforcement (question 6).
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?
		DCANZ does not see any need for expanded investigative powers. DCANZ does not support the creation of a new agency to oversee administrative enforcement.
13	<i>Administrative enforcement</i>	What remedies should the courts be able to grant arising from administrative enforcement of GIs and why?

	Section	Question
		Remedies for administrative enforcement should be consistent with those for civil enforcement. See our earlier comments on what appropriate remedies, which should go no further than those required to meet New Zealand's minimum obligations under the NZ-EU FTA and where appropriate alignment with the Trade Marks Act. We do not agree that additional (and particularly punitive) damages should be part of the tool kit for GIs enforcement across either civil or administrative enforcement.
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?
		No comment, except to note that product promotion, branding and logos (particularly for overseas markets) – such as the Made with Care (NZ) campaign – requires significant investment and a long-term strategy. We would suggest a more detailed cost-benefit analysis, which includes the relationship with existing NZ Inc/government marketing efforts, is conducted before decisions are made on this.
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.
		Not applicable for DCANZ to comment on.
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?
		Not applicable for DCANZ to comment on.
17	<i>Other issues</i> Costs	How might the costs to administer the GIs Act be recovered and from whom?
		<p>The decision that no fees will be payable by the EU or by its producers for the administration of the expanded GIs regime creates a system that is significantly out of step with the user pays and cost recovery approach adopted widely across government administration in both intellectual property and primary sector regulatory affairs. The only fair outcome is that costs of administration are born by the Crown account, reflecting the Government has made this concession to a trade partner in the negotiation of the EU NZ FTA. Whilst this ultimately means New Zealand taxpayers will be underwriting the benefits of the regime to 2,133 plus EU producer groups, it would be entirely inequitable for the existing GIs holders (New Zealand wine producers) to be responsible for the system cost and, as noted in the discussion document, this needs to be rectified to satisfy principles of equity, efficiency, justifiability and transparency.</p> <p>DCANZ strongly opposes any system whereby foodstuffs producers that do not hold GI rights are allocated costs. The New Zealand dairy industry should not be made to pay for any element of this EU-NZ FTA GIs system – directly or indirectly.</p>

	Section	Question
	<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?
18		<p>Only changes to be made should be those required to bring New Zealand legislation in line with the new obligations under the EU-NZ FTA.</p> <p>We note that the Discussion paper is silent on how New Zealand intends to implement EU NZ FTA obligations on future GIs registration and opposition processes. DCANZ is of the view that the opposition process should have some basis in legislation: it is not clear otherwise how officials could act to uphold the EU NZ FTA provisions.</p> <p>DCANZ therefore supports making provision in the revised GIs Act on the registration process and opposition process as provided for in article 18.33 of the FTA for adding additional GIs to the Agreement. DCANZ believes that entrenching these processes and procedures in the legislation would provide added clarity and certainty for businesses – including protection of the right for those who oppose registration of GIs to participate fairly in an objection process. Administering such processes through an agency-led process (and specifically by MFAT, whose main function is not one of intellectual property regime implementation) may subject the process to influence or inconsistent application. From both a constitutional and an IP specific perspective, giving officials the authority to make decisions about extending the list of names to be protected does not provide satisfactory legal certainty. These decisions have flow on consequences for existing property rights holders who should be given legal rights to participate in the process, including the right to be given reasons for a decision and the right to an appeal.</p>