

Keeping the score in trade mark law

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For proprietors of intellectual property rights the preservation of their property necessarily involves the prevention of others from encroaching upon it. In pursuit of that end it is not unusual to find traders seeking to capture exclusively for themselves words, expressions or phrases which are in common usage, and then setting about policing the use of such words by others, often to the extent of seeking to curtail entirely legitimate use of words or symbols.

To a degree proprietors can succeed; often they try but fail. Governments can also come to their aid, as has happened in both Australia and New Zealand in relation to the use of words and symbols relating to the forthcoming Sydney Olympic games (restricting “unauthorised use of words such as “Olympic Games” and “New Zealand Olympic team”).

In essence, the proprietor of a registered trade mark can prevent others from using that mark *as a trade mark* in relation to the relevant goods or services. The italicised requirement is important, because use of words which have been registered as a trade mark, even in relation to the goods or services in respect of which they are registered, will not infringe if they are not used in a “trade mark sense”.¹

The Trade Marks Act defines “trade mark” to mean:

[A]ny sign or any combination of signs, capable of being represented graphically and capable of distinguishing the goods or services of one person from those of another person.

For a sign to be “capable of distinguishing” in this way it must indicate who the product or service came from, and not merely tell the customer what the product or service is.² Use in a “trade mark sense” therefore essentially means to indicate *origin*.³ Accordingly, the use of words, even if identical to a trade mark, does not amount to use as a trade mark, if they are used in a *descriptive* sense, rather than to indicate origin.

Furthermore, by way of a defence to any action for infringement, s12(b) of the Trade Marks Act provides that no registration of a trade mark shall interfere with:

The use by any person of any bona fide description of the character or quality of that person's goods or services, not being a description that would be likely taken as importing [a reference to the registered proprietor of the goods or the registered proprietor].

As noted in *Mothercare UK Ltd v Penguin Books Ltd*,⁴ the fact that descriptive words have been legitimately registered in Part A is no reason why other people should not be free to use them in a descriptive sense, rather than in a trade mark sense. No trader, it has been said, will be allowed to fence in the common of the English language. In *Office Cleaning Services Ltd v Westminster Window & General Cleaners Ltd*⁵ (with reference to use of descriptive words in trade names) it was said that:

The risk of confusion must be accepted, to do otherwise is to give to one who appropriates to himself descriptive words an unfair monopoly in those words and might even deter others from pursuing the occupation which the words describe.

And Kennedy LJ noted in *W N Sharpe Ltd v Solomon Bros Ltd*,⁶ that:

If a trader chooses to select a well-known English adjective, he undertakes a “heavy” burden in proving on the evidence that the true inference is that his use of the word has made it distinctive of the plaintiffs goods.

In *Re Joseph Crosfield & Sons*⁷ it was recognised that words such as “perfect”, “good”, “best” and “superfine” could not be given a secondary meaning so as to indicate only the goods of the applicant. The boundary, however, is not always clear between what can be fenced in and what cannot. It is a question of fact in each case.⁸

There are numerous examples where registered proprietors have sued for infringement and failed because the use of the relevant words was descriptive, rather than use as a trade mark. Well known examples involved “office cleaning”,⁹ “camel hair belting”,¹⁰ “oven chips”,¹¹ “Harrods”,¹² “Mothercare”,¹³ “Pompadour”¹⁴ and “classic”,¹⁵ all of which were held to be simply descriptive in the context in which they were used and therefore not to infringe.¹⁶

In the *Wet Wet Wet*¹⁷ case Bravado Merchandising was the registered owner of the trade mark “Wet Wet Wet” in respect of, inter alia, printed matter, books and bookcovers. Mainstream Publishing intended to publish and market a book featuring on the dust cover a photograph of the group with the words “a sweet little mystery - Wet Wet Wet - the inside story”. Bravado alleged trade mark infringement. Mainstream argued that the name “Wet Wet Wet” in the title was used to indicate the subject matter of the book (the pop group), rather than to suggest that it was published by Bravado, and that such use was therefore not in a “trade mark sense”. The court found that the use of the name “Wet Wet Wet” to refer to the group was use in a trade mark sense; but that the use was descriptive use falling within the exception in s11(2) of the UK Trade Marks Act 1994¹⁸ because it was an “indication concerning” the main “characteristic” of the particular book upon which the mark was used. The Court observed that it would be a bizarre result of the trade marks legislation if it could be used to prevent publishers from using the protected name in the title of a book about the relevant product.

The most important recent New Zealand decision in this area is *Mainland Products Limited v Bonlac Foods (NZ) Limited* [1998] 3 NZLR341. The plaintiff was the registered proprietor of the mark VINTAGE in relation to cheese. The defendant used the same word on its cheese, claiming that it was not using the word as a trade mark, but was merely using it as a bona fide description of the character or quality of its product, thereby seeking to take advantage of the exception to infringement provided in s12 of the Trade Marks Act. The plaintiff’s evidence however was that (so far as it was aware) no other person anywhere in the world had used the word in association with cheese. The Court held that this use was “use as a trade mark”. Justice Gault, delivering the judgment of the Court of Appeal, referred to the definition of “trade mark in the Trade Marks Act and said:

The likelihood of the manner of use of a word being taken as indicating a (not necessarily identifiable) trade connection will depend on all the circumstances of that use. The normal meaning (if any) of the word will be a primary consideration. The way it is used in relation to the particular goods will be another. Also relevant will be the nature of the market, the kinds of customers and the general circumstances of trade in the goods concerned.

The court concluded that the use of the word “Vintage” as a prominent and highlighted visual feature would be perceived by customers as a means for distinguishing the particular cheese from equivalent types of cheese supplied by others, as opposed to a mere description of the cheese or its attributes; i.e. it was likely to be taken as use of a trade mark. To clarify the distinction the Court observed:

It is not difficult to envisage the use of the word "Vintage" on a cheese wrapper in a purely descriptive sense. An obvious example mentioned during the hearing is the incorporation of a statement such as 'The perfect accompaniment to vintage wine'. That is the kind of use contemplated by the statutory exclusion from infringement of the exclusive right to use a word trade mark.

There has been significant criticism of this decision.¹⁹ Indeed it is interesting to note that, having recognised the term "vintage" to be "laudatory", the Court distinguished it from other merely laudatory terms on the basis that it is principally used to describe cars or wine, not the characteristics of cheese (in respect of which the plaintiff's use had apparently been unique). In *W N Sharpe Ltd v Solomon Bros Ltd*, Kennedy LJ noted that the word "classic" (described as a "laudatory epithet") had been registered, or sought to be registered, in relation to a number of brands of manufacture including waterproofs, tobacco-pipes and hair-pads. Accordingly, it was a word incapable of being "adapted to distinguish". In New Zealand the word "vintage" has been registered as a trade mark principally in relation to wine, but has also been registered in relation to goods including sleepwear and lingerie, souvenirs, plans and specifications for housing, clothes driers, toilet seats and toilet brushes. Those devotees of Vogue will be well aware that "vintage" is also a description of a style of clothing adopted by many fashion aficionados. The reasoning that "vintage" only tells us something about the taste of a cheddar cheese by "drawing upon our knowledge of what the word tells us about wine" therefore appears to be too narrow. Those tempted by "vintage" clothing or for that matter a "vintage" toilet seat are also unlikely to have in mind the qualities of a fine Riesling (or, for that matter, a fine cheese). Upon the reasoning of Kennedy LJ, "vintage" may well be a word incapable of being "adapted to distinguish".

In *Ocean Spray Cranberries Inc v Frucor Berries Ltd*²⁰ the plaintiff claimed a substantial reputation and goodwill in the mark "Cranberry Classic" and argued that the defendant's use of the term "classic" in relation to its cranberry juice was calculated to deceive and cause confusion. The defendant maintained that the term "classic" was employed to invoke a sense of tradition and custom and naturally applied to cranberry juice, which is a traditional American beverage. An interim injunction was declined for reasons including the use of a descriptive term and the context in which the word was used. Context necessitates reference to the get up of each product, the historical use of the words as a mark and the type of articles in issue. In this case the get up of the products was quite dissimilar. Both products clearly featured their respective brand names and the plaintiff's product was sold in a distinctive bell-shaped glass bottle, whereas the defendant's was sold in a tetra cardboard pack. Interestingly the lack of similarity in the get up of the products (described by Temm J in the High Court decision as "entirely different"), appears to have had little bearing on the assessment of the likelihood of consumer confusion in the *Mainland* case.

The application of this area of the law in the sporting arena is interesting and topical in view of the forthcoming Olympics in Sydney and America's Cup in Auckland. In order to be registered as a trade mark a term must be distinctive, i.e. adapted to distinguish the goods of the proprietor from the goods of other persons. There is accordingly an issue whether the names of such well known sporting events can ever have a sufficiently distinctive secondary meaning to be properly registrable as trade marks denoting the source of goods of a particular proprietor.

In 1987²² the Australian Intellectual Property Office rejected registration of AMERICA'S CUP as a trade mark. It is worth referring to two passages from that decision:²³

To the Australian public the term "America's Cup" is associated with the challenge races, it has passed into common language and is in common use throughout Australia. No one trader can be granted the rights to this expression which like "royal visit" or "coronation" should be free for all traders to use in the legitimate cause of trade.

No one entity should be granted the right to this expression in perpetuity.

I do not believe that the term is seen as a trade mark by the public at large who appear to view it as the name of the races conducted and the trophy itself.

It is strongly arguable that this also correctly sets out the position in New Zealand. The reasoning is supported by the recent English Court of Appeal decision in the *Elvis Presley* case, in which that name was so famous in its original sense that it was inapt to convey the necessary distinctiveness of trade origin for use as a trade mark (the Court at first instance indeed having found that consumers purchased “Elvis Presley” merchandise not because it came from a particular source, but simply because it carried the Elvis Presley name or image).²⁴

In order to be registrable a trade mark must have the necessary degree of distinctiveness at the time of the application for registration.²⁵ The test recently adopted by Laddie J in *Philips Electronics BV v Remington Consumer Products* to determine whether a name has the relevant capacity to distinguish for that purpose is:

1. What is the product to which the word has been applied?
2. Has the word been used exclusively in relation to that product?
3. Has it been used exclusively on the product by the proprietor as a designation of origin?
4. Has it come to be recognised as a designation of origin rather than an indication of type by the relevant public?

The words “America's Cup” have for a century meant a famous *event* and the *trophy* for winning it. The words are consequently famous worldwide in those non-trade mark descriptive senses. This makes them entirely inappropriate as a mark of origin of goods and services. Indeed it may be that they are so famous in their original sense that they should be incapable of being trade marks at all (i.e. distinctive indicia of the origin of goods or services). Nevertheless they are registered as trade marks in New Zealand in respect of numerous categories. For the reasons mentioned, use of the words “America's Cup” in a descriptive sense to refer to the regatta, or to the trophy for winning it, should not be held to infringe any of those marks.

The names of other sporting events have also been registered as trade marks in New Zealand, including “Rugby Super 12” and “Rugby World Cup”. These words are similarly well known worldwide as descriptions of sporting events. Such names are terms that have passed into common language and common use in New Zealand and (on the basis of the reasoning applied in *Re Application By New York Yacht Club*) are unlikely to be regarded by the public as trade marks denoting the origin of goods or services.

This is not to say that it would be impossible to infringe a mark which relates to an event. It was held in England, for example, that the name “Internet World”, although to some extent descriptive, was not so descriptive that goodwill could not exist in it; and that people familiar with past trade shows under that name would expect further “Internet World” trade shows to be run by the same people who had used the name in the past.²⁶

Incidental use of a trade mark should also not be held to be use in a trade mark sense. Trebor Bassett manufactures popular candy sticks in England the packaging of which included collectable insert cards bearing photographs of famous soccer players, including members of the English team wearing team shirts bearing the “three lion” logo of which the Football Association was registered proprietor. The Football Association alleged that this was an infringement of its mark. It was held²⁷ that reproduction of a player's photograph inevitably reproduced the trade mark, but that such reproduction was not even arguably “using” the logo in any real sense of the word, and was certainly not using it as a sign in respect of the cards,

the logo only appearing on the card because it was worn by the player.²⁷ In other words, the sign was not being used as a trade mark.

Proprietors can be equally over-protective of symbols which have been registered as trade marks. The Olympic Games and its famous five-ring symbol are at least as well known as the America's Cup and Elvis Presley, and the forthcoming Olympiad provides an interesting example of the extent to which the common language can be fenced in with the assistance of government. The New Zealand Olympic and Commonwealth Games Association licenses sponsors of the New Zealand Olympic team to use the Olympic symbol comprising five interlocking coloured rings. In 1996, Telecom New Zealand published a newspaper advertisement which printed the word "ring" three times across the top line and twice across the lower line, in different colours, stating underneath "*with Telecom mobile you can take your own mobile phone to the Olympics*". The Association sought an injunction, claiming breach of the Fair Trading Act, passing off, and trade mark forgery (under s16 of New Zealand's Fair Trading Act). Justice McGechan declined to grant an injunction, finding the case to be weak, and observed:²⁹

I accept those who read newspaper advertisements tend to browse. They will not be reading advertisements in a closely focused way, at least in the first instance. Those who notice the five coloured "ring" words, then drop their gaze to the next line picking up the reference to Olympics, and then refer back to the five "ring" words, and then make an association with the five circle Olympic symbol, will be mildly amused. It will then seem like a cartoon or a clever device. It is the sort of situation where one pauses for a moment to laugh, and acknowledge the lateral thinking involved. However, it is a long way from that brief mental process to an assumption that this play on the Olympic five circles must have been with the authority of the Olympic organisation, or through sponsorship of the Olympics. It quite simply and patently is not the use of the five circles as such. There is not a circle in sight, let alone a fern leaf. It is not as though there were five actual circles in the advertisement caricatured in some way as, for example, with little animals swinging from the tops or peering out. It is not the sort of design like that where the reader would then be likely to pause and say 'that seems close to the wind, I suppose they must have got permission for that.' The advertisement is perceived as simply too different, on what is before me to this point. I am not there is a significant likelihood of assumption by readers that Telecom is connected with or a sponsor of the Olympics.

Interestingly the government has now intervened in relation to the Olympic and Commonwealth Games. The Flags, Emblems and Names Protection Amendment Act 1998 amends a statute which was originally principally enacted to protect emblems and words suggesting royal or government patronage. It introduces restrictions on the unauthorised use of emblems, words and names relating to the Olympic Games, including the five ring Olympic symbol, with or without a fern leaf or the words "New Zealand". Also protected are various combinations of words including "Olympic Games", "Olympic Gold", "Games City", "Sydney Games", "Gold Games", "27th", "24th", "Olympian", "Sydney" and "2000". Importantly, use of abbreviations, extensions, and derivations of such names, and names that have the same or a similar meaning, is also restricted. Naturally, Goldie the cuddly Olympic mascot also enjoys this special statutory protection.

It is an offence under the Act to use, in trade, without the written authorisation of the New Zealand Olympic Committee, any word or name, title, style, or designation to which the section applies, or which so closely resembles one as to be likely to deceive or mislead. There are a number of exceptions to infringement, in particular the Flags Emblems and Names Protection Amendment Act 1999 introduced an exception where use is for the purposes of, or is associated with, media news reporting or criticism, or media publication relating to members or officials of the New Zealand Olympic Games Team. There is no wider exception for use of any of the protected words in a simple descriptive sense, even though many of the

words protected are inherently descriptive terms. Perhaps in recognition of the unusual extent and nature of the restrictions imposed by the Act, the schedule which sets out the restricted words relating specifically to the Sydney Olympic Games expires on 30 June 2001. There is related legislation in Australia,³⁰ which provides for regulation of use of Sydney 2000 Games indicia and images by organising committees and licensed users.

This legislation has clearly been enacted in the interest of protecting the all-important sponsorship dollar, rather than protecting the public from being misled. It will be interesting to see how these statutes are interpreted and enforced in circumstances where protected words are innocently used in a descriptive rather than trade mark sense – will the relevant authorities, enforcing Olympic-related intellectual property, do so on the sporting basis of “fair play”? Or will those with the most “gold” win on the day? In *Re Joseph Crosfield & Sons*, it was perceived that in the interests of protecting the purity of the register of trade marks and the interests of traders and the public, words not adapted to be distinguished should not be put on the register:

If this were not so, the large and wealthy firms, with whom the smaller folk are unwilling to litigate, could by a system of log rolling ... divide amongst themselves all the ordinary words of description and laudation in the English language.³¹

Footnotes

1. Section 8(1A)(d) of the Trade Marks Act.
2. See, for example, *Philips Electronics Bv v Remington Consumer Products* [1998] RPC 283.
3. For recent re-confirmation of the purpose of a trade mark as an indicator of origin see *Scandecor Development AB v Scandecor Marketing AB* [1998] FSR 500.
- 4 [1988] RPC 113
- 5 (1946) 36 RPC 39
6. (1915) XXXII RPC 15
7. (1910) 1 Ch 130
8. *Mainland Products Limited v Bonlac Foods (NZ) Limited* [1998] NZLR 341 at 345
- 9 *Office Cleaning Services Limited v Westminster Window and General Cleaners Limited* (1946) 36 RPC 39
- 10 *Reddaway v Banham* [1896] AC 199
11. *McCain International Limited v County Fair Foods Limited* [1981] RPC 69
12. *Harrods Ltd v Schwatz-Sackin & Co Ltd* [1986] FSR 490
13. *Mothercare UK Ltd V Penguin Books* [1988] RPC 113
14. *Pompadour v Frazer* [1966] RPC 7
15. *W N Sharpe Ltd v Solomon Bros Ltd* (1915) XXXII RPC 15
16. Of course where the marks are not used in a descriptive sense proprietors have successfully sued for infringement. For example, in *Mothercare v Robson Books* [1979] FSR 466, Mothercare succeeded in obtaining an injunction against the defendant who proposed to publish a book entitled “Mother Care”. In *Harrods Ltd v R Harrod Ltd* (1924) 41 RPC 74 the English Court of Appeal granted an injunction preventing the defendant company from using the name R Harrod Limited.
17. *Bravado Merchandising Services Limited v Mainstream Publishing (Edinburgh) Limited* [1996] FSR 205
18. “a registered trade mark is not infringed by ... (b) the use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services”
19. See, for example, Katz (1998) 2NZIPJ 17 and van Melle (1998) 2 NZIPJ 22.
20. (High Court, Auckland, CP651/98, 6/1/99, Elias J)
21. 37 IPR 655

22. As noted in Paul Sumpter's article, "Sports law and intellectual property: How watertight is an America's cup" (1999) 2 NZIPJ 109.
23. *Re Application By New York Yacht Club* (1987) 9IPR102
24. [1999] RPC567. This is not to suggest that famous names cannot ever convey the necessary distinctiveness to be afforded trade mark protection; and, of course, famous trade marks are expressly granted protection pursuant to s36 of the Trade Marks Act, which provides for defensive registrations of such marks in relation to goods or services in respect of which they are not used or proposed to be used.
25. *Elvis Presley Trade Marks* [1997] RPC 543
26. *Mecklermedia Corp v DC Congress Gesellschaft* [1997] FSR 627
27. *Trebor Bassett Limited v The Football Association* [1997] FSR 211
28. See p 215 of the judgment.
29. See *The New Zealand Olympic and Commonwealth Games Association Inc v Telecom New Zealand Limited* [1996] FSR 757, 763
30. The Sydney 2000 Games (Indicia and Images) Protection Act 1996.
31. *Re Joseph Crosfield & Sons* (1910) 1 Ch 130,152 per Farwell LJ