

TRADE MARKS PRACTICE GUIDELINE AMENDMENT – SIMILAR GOODS AND SERVICES

Issue

Clients have asked IPONZ to look at its practice regarding similar goods and services under section 25 of the Trade Marks Act 2002 and to clarify where IPONZ considers goods and services are so similar that IPONZ will raise citations. IPONZ has looked at New Zealand case law and international best practice in this regard.

Proposal

IPONZ proposes to implement the following clarification in practice, by replacing clause 6 of the Practice Guidelines on *Relative Grounds: Identical and Similar Marks* with the following:

6. SIMILARITY OF THE GOODS OR SERVICES

When contemplating raising a citation under section 25 of the Act, the examiner must consider whether the specification of an earlier mark or well known mark covers the same or similar goods or services as the specification of the application under examination¹.

There is no precise definition of what constitutes “similar” goods or services. Whether the goods or services of the potential citation are similar to the goods or services of the application under examination is a question of fact, to be determined on a case by case basis. The approach to take is a practical one, looking at the respective goods or services from a business and commercial point of view.²

It is important to note that the classification of the goods or services is not conclusive. This is because similar goods and services may be classified in different classes (for example, sports drinks may be classified in class 5 or class 32), while dissimilar goods or services may fall within the same class (for example, music CDs and fire extinguishers are both classified in class 9).

In *Jellinek’s Application* (1946) 63 RPC 59 at 70, Romer J proposed a three-fold test when assessing whether goods and services are similar to other goods and services, namely the nature and composition of the goods, the respective uses of the goods, and the trade channels through which the goods are bought and sold. No one factor was considered conclusive and it was not considered necessary for all three factors to apply.³

¹ Under section 25(1)(c) of the Act, the goods or services of a well-known mark “do not have to be the same or similar as long as a connection in the course of trade is indicated” (*S. T. Dupont v E. I. Du Pont v De Nemours And Company* (Assistant Commissioner Walden, T17/2007, 16 April 2007).

² *Gutta-Percha & Rubber Manufacturing Co. (Toronto) Ltd’s Appn* (1909) 26 RPC 84 (Ch.D.); (1909) RPC 428 (C.A.)

³ *Floradix Trade Mark* [1974] RPC 583

In the *Treat* case,⁴ Jacob J proposed the following general guidelines, which he described as “an elaboration of the old judicial test” that “seeks to take account of present day marketing methods”:⁵

I think the following factors must be relevant in considering whether there is or is not similarity:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This enquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

Jacob J went on to note that goods could be similar to services.⁶

The European Court of Justice has commented that:⁷

In assessing the similarity of the goods or services concerned ... all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.

When considering whether goods or services are “similar” to other goods or services, the following questions may be helpful:

- How will the goods or services be used? What is their purpose? If the goods or services are not identical but could be used together, or at the same time, or in the same way, or to achieve the same purpose, the public may see them as related and therefore assume that they originate from the same entity.
- How likely is it that the same entity would produce or provide the goods or services?
- Would the goods or services usually be provided or sold in the same types of outlets?

⁴ *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281. This test was affirmed recently in New Zealand in *Austin, Nichols & Co Inc v Stichting Lodestar* (unreported, Wellington High Court, CIV-2004-485-1281, 5 May 2005) and *Valeant Pharmaceuticals International v Valent Biosciences Corporation* (T25/2006, Assistant Commissioner Walden, 24 October 2006)

⁵ *Ibid*, at 296-297

⁶ *Ibid*, at 297: “I do not see any reason in principle why, in some cases, goods should not be similar to services (a service of repair might well be similar to the goods repaired, for instance).”

⁷ *Canon Kabushiki Kaisha v MGM Inc.* [1999] RPC 117 at 133.

- In the case of self-serve consumer items, would the goods usually be found in the same place in the retail outlet, or on the same shelves?
- Would the goods and/or services usually be provided to the same class or classes of customer?
- How similar are the lines of business of the respective traders?
- How broad are the respective specifications of goods/services? If a trader offers a very narrow, specialised range of goods or services, there is less likelihood that consumers would expect that trader to produce or provide different goods or services. Alternatively, if a trader offers a very wide range of goods or services, consumers may associate almost any goods or services with that trader.
- How expensive are the goods or services? Consumers are likely to pay more attention when selecting expensive items than when selecting inexpensive ones. There may therefore be less likelihood of deception or confusion in relation to expensive goods or services.⁸
- Are the goods or services in competition with each other?

6.1 Similarity of Goods to Services

There has been little detailed analysis in New Zealand on the question of whether certain services are similar to certain goods.

Some guidance may be found overseas, for example from the United Kingdom which uses similar wording to the New Zealand Act in section 5 of the United Kingdom Trade Marks Act 1994 and Australia, although section 44 of the Australian Trade Marks Act 1995 uses the term “closely related” when comparing goods with services.⁹

A clear and unambiguous specification of the service is required to determine whether a service is similar to the goods covered by an identical or similar trade mark. The real nature of the service must be known. As a guide, services and goods may be considered similar if the services are performed upon or by means of the goods.

For example, installation, maintenance or repair of goods is likely to be considered similar to the goods themselves. Further examples of similar goods to services are set out below.

⁸ Suzy Frankel and Geoff McLay, *Intellectual Property in New Zealand*, LexisNexis Butterworths, 2002, at page 460

⁹ Shanahan's *Australian Law of Trade Marks and Passing Off*, 3rd Edition, Lawbook Co. 2003) at 8.25 states that “closely related” is a term of wider import than “similar and can apply to the relationships between competing services as well as between goods and services”.

6.1.1 Retail or wholesale services v goods

In Europe, Advocate General Léger¹⁰ recently affirmed a communication by President de Boer of OHIM (the Office for Harmonisation in the Internal Market) who stated as follows:

As regards conflicts between services and goods, the Office takes the view that, while a "similarity" between goods sold at retail and retail services cannot be denied in the abstract, the risk of confusion is unlikely between retail services on the one hand and particular goods on the other except in very particular circumstances, such as when the respective trade marks are identical or almost so and well-established in the market. Each case that arises will of course be dealt with on its own merits.

Given that situation those requesting registration of marks for retail (or similar) services should not expect that they thereby obtain protection against the use or registration of marks for goods. If such protection is required as well, it is clear that registration for goods must be requested as well. [*Emphasis added*]

Therefore, examiners are unlikely to cite a mark where one mark covers goods and the other the retailing of those goods as the onus is on the owner of a mark to show that its mark is "well-established in the market"¹¹. The exceptions are classes 12, 14, 18 and 25 where it is common for designers and manufacturers of goods in these classes to have their own retail or wholesale outlet.¹²

6.1.2 Hospitality services v beverages and food

Alcoholic beverages in classes 32 and 33 (including wine, spirits and beer) are considered to be similar to services that relate to the provision of drink such as restaurant and bar services.¹³

Hot drinks such as coffee, tea and drinking chocolate are considered to be similar to services that relate to the provision of drink such as café or coffee shop services¹⁴.

Food items are considered similar to services that relate to the provision of these food items such as via catering, fast-food outlets, cafés or coffee shops. Restaurant services per se (being services which provide food in situ) are not be considered similar to food items, if takeaway services are clearly not included.¹⁵

¹⁰ In his opinion on a reference for a preliminary ruling from Germany (*Praktiker Bau- und Heimwerkermärkte AG*, Case C-418/02, 13 January 2005)

¹¹ *S. T. Dupont v E. I. Du Pont v De Nemours And Company* (Assistant Commissioner Walden, T17/2007, 16 April 2007); *Wistbray Limited v Ferrero S.p.A* (Assistant Commissioner Jones, T05/2007, 12 February 2007)

¹² See *Timothy Vannisselroy v Criminal Clothing Limited*, Assistant Commissioner Walden, T24/2007, 30 July 2007

¹³ See: *Havana Club Holding SA v Pac Rim Management Services Ltd* (1998) 43 IPR 177; *Woodland's Appn* (1999) 47 IPR 365 "*Balmoral*" [1999] RPC 297

¹⁴ *Aromas Pty Ltd v Aroma Coffee & Tea Pty Ltd* (1997) 40 IPR 75

¹⁵ See the "Sizzler" case, (20 IPR 331), where the Australian Registrar's delegate found that "restaurants, services relating to preparation and provision of food or drink, reception centres,

6.3 Similarity of Goods to Goods

6.3.1 Clothing and Footwear

There is an overlap between clothing and footwear in items such as socks and hosiery.¹⁶ A citation based on clothing and footwear may be overcome by amending the item footwear to specific items, for example, slippers or shoes or excluding socks and hosiery. The nature and purpose of clothing is somewhat different to footwear. Clothing does not usually come from the same trade source.

There is also an overlap between clothing *per se* and specific types of clothing such as haute couture clothing.¹⁷ Please note that such a citation cannot be overcome by adding the restriction “none being items of haute couture”.¹⁸

Textiles are not considered to be similar goods to clothing in class 25.¹⁹

The following goods are not considered to be similar:

Class 18	Class 25	Similar
Leather goods	Clothing	No ²⁰
Bags	Shoes	No ²¹

6.3.2 Sporting goods

Some manufacturers of certain sporting goods also apply their trade mark to clothing. These goods, clothing and equipment, are also sold and stocked by the same sports stores and may also be found specialised sporting departments in large department stores. While some weight must be given to these factors, sports clothing and sporting goods are not **usually** produced by the same manufacturers, nor is clothing which may be worn for sporting activities **only** sold through the same outlets as the sporting goods.

The purpose and nature of the goods must be considered. The purpose of sports clothing is to clothe the person while the purpose of sporting goods is to enable him/her to participate in a sport. The first group of goods has no relationship to utilising the second group. The nature of the sets of goods is different. Clothing is manufactured from fabrics. Sporting goods are manufactured from a variety of materials.

none of the foregoing providing take-away food or drink services” were not closely related to class 30 goods

¹⁶ In *LWR Hosiery & Underwear Ltd's Appn* (1994) 29 IPR 83, women's underwear and hosiery were held to be similar goods. See also *O'Neill Inc's Application* [2004] ETMR 50

¹⁷ *Croom's Trade Mark Application* [2005] RPC 2.

¹⁸ *Cadbury Limited v Effem Foods Limited*, unreported, CA274/05, 20 July 2007, affirming *Croom's*.

¹⁹ *S. T. Dupont v E. I. Du Pont v De Nemours And Company* (Assistant Commissioner Walden, T17/2007, 16 April 2007); *Wilder Days Pty Ltd v Karhugh Properties Pty Ltd* (1993) 27 IPR 473

²⁰ *Wilder Days Pty Ltd v Karhugh Properties Pty Ltd* (1993) 27 IPR 473; *Mossimo Inc v Bozzini Pty Ltd* (1999) 48 IPR 116

²¹ *Sergio Rossi SpA v OHIM* (CFI, Case T-169/03, 1 March 2005)

Where the goods use materials in common, eg riding boots and saddlery both made from leather, those engaged in their manufacture would regard them as belonging to different trades. While sports clothing and sporting goods have some trade channels and manufacturers in common, this connection is outweighed by the notable differences in their nature and purpose.

Examiners will not raise citations where clothing (including sports clothing) in class 25 is specified as the goods of one application or registration and sporting equipment in class 28 or saddlery, harness and whips in class 18 are covered by another.

For example, using the tests as set out in *Jellinek's Application* 63 RPC 59, the following goods would **not** be found to be goods of the same description:

Class 9	Class 25 ²²	Similar
Protective Clothing	Clothing	No

Class 25	Class 28 ²³	Similar
Tennis clothing	Tennis racquets	No
Wetsuits	Surfboards	No
Swimsuits	Water-skis	No

Class 18	Class 25	Similar
Riding boots	Saddlery	No
Harness equipment	Jodhpurs	No

6.3.3 Beverages

The following table shows a comparison of certain specifications of beverages and the approach that Examiners will take:

Class 29	Class 30	Similar
Milk beverages	Chocolate or coffee beverages	Yes ²⁴
Milk products	Tea	No ²⁵

Class 30	Class 30	Similar
Coffee, tea	Cocoa	Yes ²⁶

²² See *Camiceria Pancaldi and B Srl v Le Cravatte di Pancaldi Srl* (1994) 30 IPR 547

²³ *Little Tikes Co v Ciardullo* (1995) 31 IPR 571; *Stingray Surf Co Pty Ltd v Lister* (1997) 37 IPR 306

²⁴ *Societe des Produits Nestle SA v Strasburger Enterprises Inc* (1995) 31 IPR 639

²⁵ See *Green Spot (Thailand) Ltd v Vitasoy International Holdings Limited* (Assistant Commissioner Walden, T21/2007 and T22/2007, 16 July 2007); *Lifeguard Milk Products Pty Ltd's Appn* [1957] RPC 79

²⁶ *Societe des Produits Nestle SA v Strasburger Enterprises Inc* (1995) 31 IPR 639; *Hanson's Trade Mark* (1888) 5 RPC 130

Class 32	Class 33	Similar
General term "beverages"	General term "alcoholic beverages"	Yes
Very low alcohol wine, de-alcoholised wine	Wine	Yes
Grape juice, sparkling grape juice, fruit juice / drinks, carbonated fruit juice / drinks	Wine	No
Fruit juice	Alcoholic fruit juice or spirit mixers, alcoholic cola	Yes
Mineral and aerated waters and other non-alcoholic drinks	Sparkling wine	No
Soft drinks	Soft drink / alcohol mix (alcopops)	No unless the marks are identical
Soft drinks	General term "alcoholic beverages"	Yes
Beer, stout and ales	Rum, liqueurs	Yes ²⁷

Class 33	Class 33	Similar
Wines	Spirits	Yes ²⁸
Brandy, whiskey	Rum	Yes ²⁹

6.3.4 Vehicles & engines v tyres

The New Zealand High Court has confirmed that any similarity between vehicles and engines in class 12 and tyres in class 12 is not such that deception or confusion is likely.³⁰

6.3.3 Computers & Computer Systems v Pneumatic Equipment

In *SMC Networks Spain S.L. v SMC Kabushiki Kaisha*³¹ the Assistant Commissioner held that pneumatic equipment and computer systems were similar within the meaning of section 25 of the Act:

The goods in respect of which the applicant's mark is sought to be registered are not the same as the goods in respect of which the opponent's device mark is registered. They are goods used in computers and computer systems whereas the opponent's goods are related to pneumatic equipment. Nonetheless for the reasons outlined on page 5 above in relation to the market I consider they are similar to the goods for which the opponent's trade mark is registered as they may well be purchased by the same purchasers as purchase the opponent's goods or vice versa and at the same time. Thus I consider there is the likelihood

²⁷ *Turney & Sons' Trade Mark* (1894) 11 RPC 37, *Union Agricola SA's Trade Marks* (1907) 25 RPC 295

²⁸ *Australian Wine Importers' Trade Mark* (1889) 6 RPC 311 (CA UK); *"Balmoral"* [1999] RPC 297

²⁹ *Distiller's Corp (SA) Ltd's Appn* (1990) 21 IPR 223; *Re Trade Mark "Vat 19"* (Assistant Commissioner MacGregor, T2/1960, 27 June 1966)

³⁰ *Automobile Club De L'Ouest v South Pacific Tyres New Zealand Limited* (unreported, Wellington High Court, 2005, Wild J, CIV 2005 485 248)

³¹ Assistant Commissioner Jones, T20/2007, 16 July 2007

of confusion between the opponent's class 9 trade mark no. 214042 and the applicant's mark.

6.4 Goods and Services of Well-Known Marks

Under section 25(1)(c) of the Act, the examiner must also consider whether the potential citation is well-known in New Zealand with regard to goods or services that are:

- The same as the goods or services of the well known mark; or
- Similar to the goods or services of the well known mark; or
- Any other goods or services if use of the proposed mark would be taken as indicating a connection in the course of trade with the owner of a well known mark and would be likely to prejudice the interests of the owner of the well known mark.

The Courts have still to decide what "indicates a connection in the course of trade" which is likely to prejudice the interests of the owner of a well-known trade mark. Considerations set out in recent Assistant Commissioner's decisions include an assessment of the reputation held in the well-known mark, and also note that the onus is on the owner of a well-known mark to establish sufficient reputation³². Because of this, concerns under section 25(1)(c) of the Act will be uncommon and left to the owner of the well-known mark.

It is clear, however, that goods or services "do not have to be the same or similar as long as a connection in the course of trade is indicated".³³

³² *S. T. Dupont v E. I. Du Pont v De Nemours And Company* (Assistant Commissioner Walden, T17/2007, 16 April 2007); *Wistbray Limited v Ferrero S.p.A* (Assistant Commissioner Jones, T05/2007, 12 February 2007)

³³ *S. T. Dupont v E. I. Du Pont v De Nemours And Company* (Assistant Commissioner Walden, T17/2007, 16 April 2007).